

**NORTHWESTERN UNIVERSITY
VOLUNTARY SAVINGS PLAN
SUMMARY PLAN DESCRIPTION**

Effective January 1, 2011

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Introduction

The Northwestern University Voluntary Savings Plan (the “Plan”) is maintained by Northwestern University (the “University”) for the benefit of Eligible Employees of the University. The purpose of the Plan is to provide Participants with the opportunity to accumulate a source of retirement income in addition to income from Social Security and personal savings.

The Plan is funded solely by contributions made by Participants. Under the Plan, contributions made by Participants are referred to as “Employee Supplemental Retirement Contributions.” The University does not make contributions to the Plan.

The Plan is a defined contribution plan that is intended to satisfy the requirements of Section 403(b) of the Internal Revenue Code. Plan assets are held in one or more annuity contracts or one or more custodial accounts that are intended to satisfy the requirements of Section 403(b) of the Internal Revenue Code. The annuity contracts and custodial accounts are issued or established by Investment Companies selected by the Plan Administrator. Plan contributions are deposited in the annuity contracts and custodial accounts of the Investment Companies selected by Participants, allocated to Accounts established by the Investment Companies on behalf of Participants, and then invested in Investment Funds selected by Participants.

This Summary Plan Description summarizes the key terms and features of the Plan as in effect on January 1, 2011. The Summary Plan Description is not intended as a substitute for the legal plan documents. 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 Plan, please call the Benefits Division, Office of Human Resources (“Benefits Division”) at (847) 491-7513, 9:00 a.m. to 4:00 p.m., Monday through Friday. You may also email us at benefits@northwestern.edu.

Definitions

As used in this Summary Plan Description, the following terms shall have the meanings set forth below:

“**Account**” means, collectively, the recordkeeping accounts maintained by one or more Investment Companies to record your total interest in the Plan.

“**Authorized Leave of Absence**” means any paid or unpaid leave from active employment duly authorized by the University under its leave of absence policy as amended from time to time. If you fail to return to work upon the expiration of an unpaid Leave of Absence, your employment with the University will be deemed terminated as of the first day of such Leave of Absence.

“**Beneficiary**” means the individual or entity designated by you to receive the entire value (or remaining value) of your Account upon your death. For information regarding the procedures to designate or change your Beneficiary, see the *Death Benefits* Section.

“**Eligible Earnings**” means the portion of your University compensation that is taken into account for purposes of determining the amount of Employee Supplemental Retirement Contributions made to the Plan as further described in the *Plan Contributions* Section.

“**Eligible Employee**” means any employee of the University other than a nonresident alien who receives no earned income from the University that constitutes income from sources within the United States or a nonresident alien who receives earned income from the University that constitutes income from sources within the United States but all of his or her earned income from the University from sources within the United States is exempt from United States income tax under an applicable income tax convention or treaty.

“**Employee Supplemental Retirement Contributions**” means contributions made by Participants to the Plan as further described in the *Plan Contributions* Section.

“**Investment Company**” means an investment company selected by the Plan Administrator to issue or establish the annuity contracts and custodial accounts used for purposes of funding the Plan. An Investment Company also performs recordkeeping and administrative services for the Plan. The Investment Companies currently selected for the Plan are Fidelity Investments and TIAA-CREF. For further information regarding the Plan’s Investment Companies, see the *Investing Your Plan Contributions* Section.

“**Investment Funds**” means the various investment funds offered by an Investment Company which you select for the investment of your Employee Supplemental Retirement Contributions and/or Account. For further information regarding the Plan’s Investment Funds, see the *Investing Your Plan Contributions* Section.

“**Participant**” means any Eligible Employee and any former Eligible Employee on whose behalf an Account is maintained under the Plan.

“**Plan**” means the Northwestern University Voluntary Savings Plan.

“Plan Administrator” means the University.

“Plan Contributions” means, together, your Employee Supplemental Retirement Contributions and any Rollover Contributions made to the Plan.

“Plan Year” means the calendar year. The Plan’s accounting records are also maintained on the basis of the Plan Year.

“Rollover Contributions” means amounts you rollover from another retirement plan to the Plan. For further information regarding rollover contributions to the Plan, see the *Plan Contributions* Section.

“Salary Reduction Agreement” means an agreement between you and the University pursuant to which you agree to reduce your Eligible Earnings by an amount elected by you and the University agrees to contribute such amounts as Employee Supplemental Retirement Contributions to the Plan. For further information regarding Salary Reduction Agreements, see the *Plan Contributions* Section.

“Qualified Domestic Relations Order” or “QDRO” means a decree or order issued by a court that establishes the rights of another person (referred to as an “Alternate Payee”) to all or a portion of your Account. For further information regarding QDROs, see the *Distributions From Your Account* Section.

“Qualified Military Service” means a period of absence due to qualified military service (as defined in Section 414(u) of the Internal Revenue Code) following which you are entitled to full reemployment rights as prescribed by the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”) upon your return to employment with the University. Your absence will not be treated as Qualified Military Service unless prior to the commencement of your absence, you provide such information as the Benefits Division may require to establish that your absence from work is for military service and the number of days of your military service.

“University” means Northwestern University.

Plan Contributions

If you are an Eligible Employee, you are eligible to participate in the Plan and make Employee Supplemental Retirement Contributions to the Plan at any time on or after your date of hire or rehire.

Before-Tax Contributions

Employee Supplemental Retirement Contributions are made on a before-tax basis. This means that your Eligible Earnings for each pay period is reduced by your Employee Supplemental Retirement Contributions before federal and most state taxes are withheld. This lowers your current taxable income and allows you to pay less in income taxes. Employee Retirement Supplemental Contributions, however, do not reduce your Eligible Earnings for purposes of computing your Social Security and Medicare taxes.

Let's assume your annual Eligible Earnings are \$50,000.			
When you contribute...	You pay taxes on	At an approximate tax rate of...	So, you pay in taxes...
Nothing (0%) of your Eligible Earnings	\$50,000	25%	\$12,500
5% of your Eligible Earnings	\$47,500	25%	\$11,875
Your tax savings would be \$625 per year.			

Salary Reduction Agreement

Entering into a Salary Reduction Agreement. You must enter into a Salary Reduction Agreement to make Employee Supplemental Retirement Contributions. *If you cannot complete your Salary Reduction Agreement or make changes to your Salary Reduction Agreement online, contact the Benefits Division for assistance.*

In the Salary Reduction Agreement, you will elect the amount, if any, you want to contribute on a pay period basis to the Plan by entering a whole percentage of your Eligible Earnings or a flat dollar amount.

You must also select the Investment Company you want to use for the investment of your Employee Supplement Retirement Contributions. For further information regarding the Plan's Investment Companies and Investment Funds, see the *Investing Your Plan Contributions* Section.

Online submission of Salary Reduction Agreement (SRA)

You must complete your SRA online using the University's HRIS Self Service that you can access through the Benefits Division website at:

www.northwestern.edu/hr/benefits/plans/retirement/index.html

Effective Date of Salary Reduction Agreement. Your Salary Reduction Agreement will be applied against your next paycheck if administratively practicable or the next paycheck thereafter following the date you submit online your Salary Reduction Agreement. Once implemented, your Salary Reduction Agreement will remain in effect until you change or terminate it or it is automatically suspended as described below. If you fail to submit a Salary Reduction Agreement, you will be deemed to have filed a 0% Salary Reduction Agreement under the Plan.

To Change or Terminate Your Salary Reduction Agreement. You may change your Salary Reduction Agreement to increase or decrease your Employee Supplemental Retirement Contributions at any time by submitting an online Salary Reduction Agreement through the University's HRIS Self Service website. A change to your Salary Reduction Agreement will be applied against your next paycheck if administratively practicable or the next paycheck thereafter following the date you submit online a new Salary Reduction Agreement.

Once your Salary Reduction Agreement (including a "deemed" 0% Salary Reduction Agreement) is put into effect, it will remain in effect for the current calendar year and each calendar year thereafter until you change or terminate your Agreement.

Automatic Suspension of Salary Reduction Agreement. Your Salary Reduction Agreement will automatically be suspended as follows:

- **Maximum Dollar Limit.** If your Employee Supplemental Retirement Contributions reach the Employee Contribution Limit as described in the *Plan Contribution Limit* below during the calendar year, your Salary Reduction Agreement will be suspended for the remainder of the calendar year. If you **don't** change or terminate your Salary Reduction Agreement prior to the beginning of the next calendar year, your Salary Reduction Agreement as in effect prior to reaching your Employee Contribution Limit will automatically be reinstated and applied to your first paycheck in January. If you **do** change or terminate your Salary Reduction Agreement after you reach your annual contribution limit, your new contribution rate or zero contribution rate will be applied to your first paycheck in January. In each case, your Salary Reduction Agreement will stay in effect until you change it.
- **Hardship Withdrawal.** If you take a hardship withdrawal from the Plan, the IRS requires that your Employee Supplemental Retirement Contributions be suspended for six months. If you **don't** change or terminate your Salary Reduction Agreement during the six-month suspension period, your Salary Reduction Agreement as in effect prior to your hardship withdrawal will automatically be reinstated and applied to the first paycheck you receive following the end of your suspension period. If you **do** change or terminate your Salary Reduction Agreement during your suspension period, your new contribution rate or zero contribution rate will be applied to the first paycheck you receive following the end of your suspension period. In each case, your Salary Reduction Agreement will stay in effect until you change it. For further information regarding hardship withdrawals, see the *Distribution From Your Account* Section.

Eligible Earnings

Generally, Eligible Earnings for a pay period is your base salary. As required by tax laws, Eligible Earnings paid after termination of employment cannot be treated as Eligible Earnings unless paid by the end of the calendar year that includes your termination date or, if later, within 2½ months following your termination date.

Eligible Earnings

You can access a detailed list of Eligible Earnings Codes from the Benefits Divisions website at:

www.northwestern.edu/hr/benefits/plans/retirement/pdf/elig-earnings.pdf

Rollover Contributions

If you wish to make a rollover to the Plan, you must contact your Investment Company directly using the contact information to the right.

All rollover contributions to the Plan are subject to rules established by the applicable Investment Company.

Generally, however, you may roll over all or a portion of an “eligible rollover distribution” from another retirement plan to the Plan. An eligible rollover distribution is typically any cash distribution other than an annuity payment, a required minimum distribution, a distribution that is part of a fixed period payment of ten years or more, or a hardship withdrawal.

To contact Fidelity Investments:

Call (800) 343-0860 or visit Fidelity Investment’s website at:

www.plan.fidelity.com/nu.

Plan ID: 56005

To contact TIAA-CREF:

Call the TIAA-CREF National Contact Center at (800) 842-2776 or visit the TIAA-CREF Web Center at:

www.tiaa-cref.org/northwestern/

In most cases, your Investment Company will approve the following type of rollovers:

- **Before-Tax Contributions.** An eligible rollover distribution of tax deductible amounts from an individual retirement account or annuity (IRA) described in Section 408(a) or 408(b) of the Internal Revenue Code and before-tax contributions from a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code, a qualified plan described in Section 401(a) or 403(a) Internal Revenue Code, or an eligible plan described in Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.
- **After-Tax Contributions (Non-Roth Contributions).** An eligible rollover distribution of after-tax contributions from a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code or a qualified plan described in Section 401(a) or 403(a) Internal Revenue Code; provided, that (1) the rollover is accomplished by a direct rollover and (2) the distributing employer plan provides sufficient information so that the Investment Company can separately account for your rollover of after-tax contributions. The Plan cannot accept

rollovers of non-deductible contributions from an IRA (an individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code).

- **Roth Contributions.** The Plan cannot accept eligible rollover distributions of Roth contributions.

Contributions During an Authorized Leave

Employee Supplemental Retirement Contributions will continue or cease during an authorized leave of absence as follows:

Leave With Pay. During a leave of absence with full or partial pay, your Employee Supplemental Retirement Contributions will continue to be made based on your Eligible Earnings then being paid by the University.

Leave Without Pay. During a leave of absence without pay, your Employee Supplemental Retirement Contributions will cease. If you *don't* change or terminate your Salary Reduction Agreement during your leave, your Salary Reduction Agreement as in effect prior to your leave will automatically be reinstated effective as of your first pay date following the end of your leave. If you *do* change or terminate your Salary Reduction Agreement during your leave, your new contribution rate or zero contribution rate will be implemented as of the first pay date following the end of your leave. In each case, your Salary Reduction Agreement will stay in effect until you change it.

Leave for Qualified Military Service. If your leave of absence is due to Qualified Military Service, you are eligible to contribute make-up Employee Supplemental Retirement Contributions. The period during which you can contribute make-up Employee Supplemental Retirement Contribution is equal to three (3) times the period of your Qualified Military Service, up to a maximum of five (5) years. For example, if your Qualified Military Service period was one year, you have three years following the date of your reemployment to contribute make-up Employee Supplemental Retirement Contributions. The amount of your make-up Employee Supplemental Retirement Contributions is subject to the dollar limit(s) that applied during your Qualified Military Service. You may change, terminate, or resume your make-up Employee Supplemental Retirement Contribution during the make-up period without penalty for termination. You must timely provide the University with sufficient information prior to your military leave to establish that your leave from work is on account of Qualified Military Service. For further information regarding make-up Employee Supplemental Retirement Contributions following Qualified Military Service, please contact the Benefits Division.

Vesting of Plan Contributions

You are always fully and immediately vested in your Account. This means that your Employee Supplemental Retirement Contributions and any Rollover Contributions as adjusted for earnings, losses, etc., belong to you and cannot be forfeited for any reason. However, the University retains the right to remove Plan Contributions and/or earnings from your Account that were allocated in error and you are responsible for any fees and charges that may be imposed by your Investment Company or under your selected Investment Funds.

Investment of Plan Contributions

You select the Investment Funds in which you want your Account invested. For important information regarding the Investment Funds available under the Plan, see the [Investing Your Plan Contributions](#) Section.

Plan Contribution Limit

Employee Contribution Limit

For each calendar year, your Employee Supplemental Retirement Contributions cannot exceed the maximum dollar limit set by the IRS for that calendar year. The maximum dollar limit is applied on an *aggregate* and *individual* basis. That is, your Employee Supplemental Retirement Contributions made to this Plan as well as any elective before-tax or Roth

To find out the dollar limits in effect for a calendar year, visit the Benefits Division website at:

www.northwestern.edu/hr/benefits/plans/retirement/index.html

contributions that you make to any other qualified 401(a) employer plan or 403(b) tax-sheltered annuity during the same calendar year count toward the maximum dollar limit. The limit applies on a calendar basis and, because the dollar limits are adjusted from time to time for cost of living adjustments, the IRS releases the dollar limits prior to the beginning of each calendar year.

- **General Dollar Limit.** The general dollar limit will apply to you if you are not eligible to increase the general dollar limit by the age 50 and older catch-up. For example, the general dollar limit for 2011 is \$16,500.
- **Age 50+ Catch-up Limit.** If you will attain age 50 by the end of the calendar year, you may make Employee Supplemental Retirement Contributions above the general dollar limit up to the age 50+ catch amount in effect for the calendar year and for each calendar year thereafter. For example, the age 50+ catch amount for 2011 is \$5,500. Thus, if you will attain age 50 by the end of 2011, you can make Employee Supplemental Retirement Contributions up to \$22,000.

Excess Employee Contributions

You will be deemed to have notified the Benefits Division if your Employee Supplemental Retirement Contributions made to the Plan exceed the maximum dollar limits described above. Excess Employee Supplemental Retirement Contributions made to the Plan as adjusted for any allocable income or loss will be distributed to you by April 15th. Excess Employee Supplemental Retirement Contributions are taxable in the year made and any allocable income is taxable in the year of distribution. You will receive a Form 1099-R in the following tax year reporting that excess Employee Supplemental Retirement Contributions occurred in the prior year. You are responsible for any tax obligation that you may have as the result of excess Employee Supplemental Retirement Contributions to the Plan.

- **Notify the Benefits Division.** You are responsible for notifying the Benefits Division if you have excess Employee Supplemental Retirement Contributions as a result of before-tax contributions and/or Roth contributions made to a plan not maintained by the University. You must report any excess Employee Supplemental Retirement Contributions to the Benefits Division by March 1st following the year in which your Employee Supplemental Retirement Contributions exceed the maximum dollar limit. Excess Employee Supplemental Retirement Contributions reported by March 1st as adjusted for any allocable income or loss will be distributed to you by April 15th. You will receive a Form 1099-R in the following tax year reporting that excess contributions occurred in the prior year.
- **Double Taxation.** If you do not report excess Employee Supplemental Retirement Contributions to the Benefits Division by March 1st, then your excess Employee Supplemental Retirement Contributions are taxed twice: Once for the tax year in which you make the excess Employee Supplemental Retirement Contributions, and later when the excess Employee Supplemental Retirement Contributions are withdrawn or distributed from the Plan.

To the extent that you have excess Employee Supplemental Retirement Contributions as a result of contributions made to a plan not maintained by the University, the University is not liable for any tax obligation that you may have as the result of excess Employee Supplemental Retirement Contributions to the Plan or any other applicable retirement plan.

Special Aggregation Rule

If a company controlled by you makes contributions on your behalf to a tax-qualified defined contribution plan (*e.g.*, a profit-sharing plan, 401(k) plan, money purchase pension plan), your Employee Supplemental Retirement Contributions made under the Plan must be aggregated with amounts contributed under your company plan in determining whether you have exceeded the contribution limit imposed by Section 415 of the Internal Revenue Code (“415 Limit”) for the calendar year. If you are involved with or operate a business outside the University and you participate in a tax-qualified defined contribution retirement plan maintained by that business, you should consult with your tax advisor to determine whether these special aggregation rules apply to you. If the special aggregation rules do apply, you must notify the Benefits Division or your Investment Company immediately. If you fail to notify the Benefits Division or your Investment Company, the University is not liable for any tax obligation that you may have as the result of excess contributions to the Plan.

Investing Your Plan Contributions

You decide how your Plan Contributions are to be invested. You may invest your Plan Contributions among a wide range of Investment Funds and may make investment changes as often as you wish subject to the terms of your Investment Funds.

Investment Companies

The Plan offers a variety of investment choices from two Investment Companies – Fidelity Investments and Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF). Both Investment Companies offer a similar variety of Investment Funds, ranging from conservative to aggressive.

You decide which Investment Company to use for investing your Plan Contributions. You can allocate your contributions to one Investment Company or between the two Investment Companies in such amounts (or in such percentages) as established by the University. Contact information for each Investment Company is provided at the right.

The University reserves the right to cease future Plan Contributions to an Investment Company or to add a new Investment Company. Similarly, the University reserves the right to close or cease future Plan Contributions to an Investment Fund or to add a new Investment Fund.

Investment Funds

The Investment Companies offer a wide range of Investment Funds. The types of Investment Funds offered under the Plan are currently as follows:

TIAA Traditional Annuity

The TIAA Traditional Annuity is a guaranteed annuity contract issued by TIAA-CREF. Contributions to the TIAA Traditional Annuity are used to purchase a contractual or guaranteed amount of future retirement benefits. Once purchased, the guaranteed benefit of principal plus interest cannot be decreased, but it can be increased by dividends. Dividends, if any, may increase or decrease and changes are usually gradual. Transfers from your TIAA Traditional Annuity to other Investment Funds may be made at any time and lump sum distributions are available for amounts invested in the TIAA Traditional Annuity.

To contact Fidelity Investments:

Call (800) 343-0860 or visit Fidelity Investment's website at:

www.plan.fidelity.com/nu.

Plan ID: 56005

To contact TIAA-CREF:

Call the TIAA-CREF National Contact Center at (800) 842-2776 or visit the TIAA-CREF Web Center at:

www.tiaa-cref.org/northwestern

TIAA Real Estate Account and CREF Accounts

The TIAA Real Estate Account and CREF Accounts are variable annuity contracts issued by TIAA-CREF. Contributions to the TIAA Real Estate Account and CREF Accounts are used to purchase accumulation units, or shares of participation in the underlying investment fund. The TIAA Real Estate Account and each CREF Account has its own investment objective and portfolio of securities and the value of the accumulation units changes each business day. There is no guaranteed rate of return. Transfers and withdrawals from the TIAA Real Estate Account are limited to once per calendar quarter. There are no restrictions on transfers and withdrawals from the CREF Accounts.

Fidelity and TIAA-CREF Mutual Funds

Contributions to a Fidelity or TIAA-CREF Mutual Fund are used to purchase accumulation units, or shares of participation in the fund. Each Mutual Fund has its own investment objective and portfolio of securities and the value of the units or shares changes each business day. There is no guaranteed rate of return. There are no restrictions on transfers and withdrawals from the Mutual Funds. However, each Mutual Fund has or may adopt its own frequent trading policy as disclosed in its prospectus and the Investment Companies reserve the right, with or without notice, to implement restrictions or block fund transactions if such transactions are identified by the Mutual Fund as violating its frequent trading policy. For further information regarding the frequent trading policies, see *Transferring Amounts Among Investment Funds* section below.

Availability of Fund Information and Investment Education

It is important that you carefully choose your Investment Funds because the benefits payable from the Plan depend on the performance of the Investment Funds you choose over the years. Each Investment Company's enrollment packet contains the following information for each of its Investment Funds:

- A general description of the fund's investment objectives;
- The fund's risk and return characteristics;
- The type and diversification of the assets comprising the fund's portfolio; and
- The fund's designated investment manager.

More detailed information on the investment objectives and risks and return characteristics of each Investment Fund can be obtained directly from the Investment Companies. Such information includes, but is not limited to:

- Copies of any prospectus (if applicable) and financial statements and reports relating to a fund. You can also view the prospectuses online by visiting the Investment Company website.
 - **Fidelity Investments.** To view the prospectuses online for Investment Funds offered by Fidelity Investments, go to the Fidelity Investments website at www.plan.fidelity.com/nu,

Plan ID 56005. If you prefer, you can obtain paper copies of the prospectuses by calling Fidelity Investments at (800) 343-0860.

- **TIAA-CREF.** To view the prospectuses online for Investment Funds offered by TIAA-CREF, go to the TIAA-CREF Web Center at www.tiaa-cref.org/northwestern, scroll to the bottom of the page and click on “Prospectuses.” If you prefer, you can obtain paper copies of the prospectuses by calling TIAA-CREF at (877) 518-9161.

Please note that on your Investment Company Enrollment Form, you will be asked to confirm that you have received and accessed the relevant prospectus(es) for your Investment Fund choices.

- A description of the annual operating expenses of a fund such as investment management fees, administrative fees and transaction costs (if applicable), along with the aggregate amount of such expenses expressed as a percentage of average net assets.
- A list of assets comprising the portfolio of a fund which will constitute “plan assets” under ERISA regulation §2510.3-101, and the value of each such asset and, with respect to any fixed investment fund, the rate of return and maturity date.
- Current value of shares or units in the fund as well as the past and current investment performance of each fund, net of expenses. (Also included on your quarterly investment statements).
- General information on diversifying the investment of your Account.

Selecting Your Investment Company

You may select one Investment Company or allocate your Employee Supplemental Retirement Contributions between the two Investment Companies by completing an Enrollment Form.

If you fail to complete an Enrollment Form, your Salary Reduction Agreement will not be placed in effect.

Selecting Your Investment Funds

Investment Company Application Form. After you select your Investment Company(ies), you must complete and return the Investment Company Application Form to allocate your Employee Supplemental Retirement Contributions among the various Investment Funds offered by the Investment Company. You may allocate Employee Supplemental Retirement Contributions to one Investment Fund or among any of the Investment Funds offered by your Investment Company in such amounts (or in such percentages) as established by the Investment Company. If you do not wish to complete your Investment Company Application Form online,

Online submission of Enrollment Form

You must complete your Enrollment Form online using the University’s HRIS Self Service that you can access through the Benefits Division website at:

www.northwestern.edu/hr/benefits/plans/retirement/index.html

Online submission of Investment Company Application Form

You can complete your Investment Company Application Form online using the University’s HRIS Self Service that you can access through the Benefits Division website.

you may print a paper copy from the Investment Company website and send a completed Application Form directly to the Investment Company.

If you fail to complete your Investment Company's Application Form, your Employee Supplemental Retirement Contributions will be invested in the default Investment Funds selected for your Investment Company as described in the box to the right. Your Employee Supplemental Retirement Contributions will remain invested in the default Investment Fund until you transfer your balance to one or more Investment Funds.

The Plan's default Investment Funds are intended to be "qualified default investment alternatives" as described in Section 404(c)(5) of ERISA. If you wish to obtain further information regarding the Plan's default Investment Funds, contact the respective Investment Companies.

Default Investment Funds

Fidelity Investments: *Freedom Funds*

TIAA-CREF: *Lifecycle Funds*

The Fidelity and TIAA-CREF default Investment funds are lifecycle funds that are invested using model asset-allocations based on your age and years to retirement.

If your Employee Supplemental Retirement Contributions are defaulted to a Fidelity or TIAA-CREF default Investment Fund, they will be invested in a fund that is closest to the year in which you will attain age 65

Monitoring Your Investment Funds

Once you have selected your Investment Funds, it is important that you regularly review your Investment Funds to ensure that they continue to meet your personal investment objectives. You can monitor your Investment Funds by:

Contacting Your Investment Company. You can access your Account information such as the share values, as updated each business day, for each investment fund as well as the current interest rates applicable to the TIAA Traditional Annuity.

- You have 24/7 access to your Account information if you use the Fidelity Investments website at www.plan.fidelity.com/nu, Plan ID 56005, or the TIAA-CREF Web Center at www.tiaa-cref.org/northwestern.
- You may also access your Account information by calling Fidelity Investments at (800) 343-0860 or the TIAA-CREF National Contact Center at (800) 842-2776.

Once you enter into a Salary Reduction Agreement, your Investment Company(ies) will send you information how to access your Account information online. You will need to register and create a User ID as well as a password. If you have forgotten your User ID or password, you should contact your Investment Company by telephone or the Benefits Division.

Reviewing your Quarterly Benefit Statements. The Investment Companies provide either by mail or, at your election, electronic delivery, quarterly benefit statements that shows fund balances, a summary of transactions made during the quarter period and the number and value of the shares you own in each Mutual Fund. If you invested Plan Contributions in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account, your TIAA-CREF quarterly benefit statements will also show the interest credited under the TIAA Traditional

Annuity and the number and value of the accumulation units you own in the TIAA Real Estate Account and in each CREF Account. You may receive from time to time, *Premium Adjustment Notices* that summarize adjustments made to Plan Contributions invested in your TIAA Traditional Annuity.

Arranging a “One-on-One” Appointment. You may also review your Investment Funds by speaking with a Fidelity Investments or TIAA-CREF representative by telephone or, in the case of TIAA-CREF, arranging a “one-on-one” on-campus appointment with a TIAA-CREF representative.

Reallocating Your Future Employee Supplemental Retirement Contributions

Change in Investment Company or Reallocation between Investment Companies. Whether you selected your Investment Company(ies) or were defaulted to the Plan’s default Investment Company, you may change your allocation of future Employee Supplemental Retirement Contributions between the Investment Companies at any time by completing a new Enrollment Form online.

If you are allocating Employee Supplemental Retirement Contributions to a new Investment Company, you must also complete the Investment Company’s Application Form to allocate your Employee Supplemental Retirement Contributions among the various Investment Funds offered by the Investment Company. An Investment Company change or reallocation will become effective as of your next pay date or as soon as administratively practicable thereafter following processing of the change by the Benefits Division.

Change in Investment Funds. If you wish only to reallocate your future Employee Supplemental Retirement Contributions among the various Investment Funds offered by your Investment Company, you may do so at any time by visiting the Investment Company’s website or by calling its service representative. Changes in Investment Funds are generally effective as of your next pay date.

Transferring Amounts Among Investment Funds

You may transfer your fund balances among the various Investment Funds and from one Investment Company to another at no charge. You can transfer fund balances among the various Investment Funds offered by an Investment Company online or by calling its service representative. You can transfer amounts between Fidelity Investments and TIAA-CREF by completing an Asset Transfer Form that you can obtain from the recipient Investment Company (the Investment Company receiving the amounts). Transfers among Investment Funds are subject to the following rules:

Online submission of Enrollment Form

You must complete a new Enrollment Form online using the University’s HRIS Self Service that you can access through the Benefits Division website at:

www.northwestern.edu/hr/benefits/plans/retirement/index.html

If you cannot complete a new Enrollment Form online, contact the Benefits Division Office for assistance.

- **TIAA Traditional Annuity.** You can transfer amounts from the TIAA Traditional Annuity to another Investment Fund at any time but the minimum transfer amount is \$10,000 (or your entire balance in the TIAA Traditional Annuity if it totals less than \$10,000).
- **TIAA Real Estate Account or a CREF Account.** You can transfer amounts from the TIAA Real Estate Account to another Investment Fund once each calendar quarter. You can transfer amounts from a CREF Accounts at any time. In each case, the minimum transfer amount is \$1,000 (or your entire balance in the TIAA Real Estate Account or a CREF Account if it totals less than \$1,000).
- **Mutual Funds.** You can transfer amounts invested in a Mutual Fund to other Mutual Funds at any time. In the case of Mutual Funds offered by TIAA-CREF, the current minimum transfer amount is \$1,000 (or your entire balance in the Mutual Fund if it totals less than \$1,000). In the case of Mutual Funds offered by Fidelity Investments, the current minimum transfer amount is \$250 (or your entire balance in the Mutual Fund if it totals less than \$250). Each Mutual Fund has or may adopt its own frequent trading policy as disclosed in its prospectus and the Investment Companies reserve the right, with or without notice, to implement restrictions or block fund transactions if such transactions are identified by the Mutual Fund as violating its frequent trading policy. Generally, the Investment Companies will restrict and/or block fund transactions according to directions received from the Mutual Fund. Please read the prospectus issued for any Mutual Fund in which you invest, to determine if the fund imposes any trading restrictions or redemption fees. You may obtain TIAA-CREF's *Intermediary Frequent Trading Policy* through the TIAA-CREF Web Center and Fidelity Investments' frequent trading policy by calling Fidelity Investments and speaking with a representative.

Investing Your Account After Termination of Employment

Once you terminate employment, your Account will remain invested in your designated Investment Funds. Therefore, it is important that you continue to regularly monitor and review your Investment Funds. Your Account will continue to participate in the market experience of its respective Investment Funds or, in the case, of amounts invested in the TIAA Traditional Annuity will continue to be credited with the same interest as they would have been had you continued employment with the University. Keep in mind that you continue to have access to Account and Investment Fund information and the flexibility to make transfers among the Investment Funds in the same manner as described above.

Please note: The Plan is intended to constitute a plan described in Section 404(c) of ERISA. Under this ERISA provision, 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 fiduciaries of the Plan, including the University, are not liable if the value of your Account declines because of investment losses or fails to increase because of lack of gains based on your investment decisions. Accordingly, 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.

Participant Loans

The Investment Companies administers all participant loans under the Plan. To obtain information regarding the Plan's Participant Loan Programs or to request a participant loan, contact the applicable Investment Company

Fidelity Loan Program

If you are a Participant (whether active or terminated), you may obtain a loan under the Loan Program administered by Fidelity Investments based on the balance of your Account invested with Fidelity. Amounts invested with TIAA-CREF are not considered when applying for a loan under the Fidelity Loan Program. If you wish to take a loan based on your amounts invested with TIAA-CREF, you must transfer those amounts to Fidelity Investments.

Set forth below is a brief summary of loan details that are specific to the Fidelity Loan Program. Detailed information regarding the Fidelity Loan Program can be obtained from Fidelity Investments using the contact information to the right.

Loan Amount. The amount you may borrow from that portion of your Account invested with Fidelity Investments is a minimum amount of \$1,000 and a maximum amount of the lesser of: (1) **50%** of that portion of your Account invested with Fidelity Investments or (2) \$50,000 (reduced by your highest outstanding loan balance within the last 12 months). For example, if you have \$40,000 invested with Fidelity Investments, you may borrow up to \$20,000 from your Account. For purposes of computing your maximum loan amount, loans taken under the Fidelity Loan Program and the TIAA-CREF Loan Program are aggregated.

Collateral. A portion of your Account invested with Fidelity Investments – that is, an amount equal to **100%** of the loan amount – must serve as collateral for your loan. That portion of your Account serving as collateral is not available for benefit payouts until you have repaid your loan.

Interest Rate. You will be charged a fixed rate of interest on your loan.

Loan Fee. A nonrefundable set-up fee and a quarterly maintenance fee will be deducted from the portion of your Account invested with Fidelity Investments. Please refer to your loan application materials for applicable fees.

Contact Fidelity Investments:

If you wish to determine the amount you can borrow, the amount of your loan repayments, or to apply for a loan, you must contact Fidelity Investments directly:

- Visit Fidelity Investments' website at www.plan.fidelity.com/nu (Plan ID 56005); or
 - Call Fidelity Investments at (800) 343-0860.
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TIAA-CREF Loan Program

If you are a Participant (whether active or terminated), you may obtain a loan from TIAA-CREF based on the balance of your Account invested with TIAA-CREF. Amounts invested with Fidelity Investments are not considered when applying for a loan from TIAA-CREF. If you wish to take a loan based on your amounts invested with Fidelity Investments, you must transfer those amounts to TIAA-CREF.

Set forth below is a brief summary of loan details that are specific to the TIAA-CREF Loan Program. Detailed information regarding the TIAA-CREF Loan Program is contained the *TIAA-CREF Retirement Plan Loans* pamphlet. You can request a copy from TIAA-CREF using the contact information to the right.

Loan Amount. The minimum amount that you may borrow is \$1,000, and the maximum amount is the lesser of: (1) **45%** of the balance of your Account invested with TIAA-CREF or (2) \$50,000 (reduced by your highest outstanding loan balance within the last 12 months). For example, if you have \$40,000 invested with TIAA-CREF, you may borrow up to \$18,000. For purposes of computing your maximum loan amount, loans taken under the TIAA-CREF Loan Program and the Fidelity Loan Program are aggregated.

Collateral. A portion of your Account invested with TIAA-CREF – that is, an amount equal to **110%** of the loan amount – must serve as collateral for your loan and will be invested in the TIAA Retirement Loan Contract. For example, if you borrow \$18,000, \$19,800 (110% of \$18,000) must serve as collateral for your loan and will be invested in the TIAA Retirement Loan Contract; the remaining \$20,200 may be invested among any of the other Investment Funds. Also, amounts invested in the TIAA Retirement Loan Contract are not available for benefit payouts until you have repaid your loan.

Collateral Sweep. As you repay the loan, a portion of the collateral being held in the TIAA Retirement Loan Contract is “swept” out of that contract back to the CREF Money Market. Once the sweep is completed, you may then request that the funds be transferred to other Investment Funds. The collateral sweep will take place only if/when a loan payment causes the amount in the TIAA Retirement Loan Contract to exceed 110% of the existing loan balance (*i.e.*, the collateral requirement) by at least \$100. If the excess collateral resulting from the loan payment is less than \$100, a sweep will not occur until a subsequent loan payment causes the excess collateral to equal or exceed \$100.

Interest Rate. You will be charged a variable rate of interest on your loan; the interest rate is subject to change after the first six months and then quarterly thereafter.

Contact TIAA-CREF:

If you wish to determine the amount you can borrow, the amount of your loan repayments, or to apply for a loan, you must contact TIAA-CREF directly:

- Visit the TIAA-CREF Web Center at www.tiaa-cref.org/public/support/help/transactions/loans/#loan; or
 - Call the TIAA-CREF National Contact Center at (800) 842-2776.
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Loan Fee. Currently, none. Please refer to your loan application materials for applicable fees, if any.

Number of Loans

There is no limit on the number of loans you may have outstanding at one time. However, at no time may the total amount of such loans exceed the lesser of: (1) 50% of your Account or (2) \$50,000 (reduced by your highest outstanding loan balance within the last 12 months).

Loan Term

Under both the Fidelity Loan Program and TIAA-CREF Loan Program, you can take up to five years to repay your loan (up to 10 years if the loan proceeds are used to purchase your principal residence). You can repay your loan early without penalty.

Loan Payments

Under both the Fidelity Loan Program and TIAA-CREF Loan Program, loans can be repaid either quarterly or monthly. Loan payments must be sent directly to Fidelity or TIAA-CREF as applicable. Under the TIAA-CREF Loan Program, payments must be made by automatic deduction from your bank account if you choose to repay your loan on a monthly basis. Loan payments cannot be made by payroll deduction.

Default

If you miss a loan payment, you will be considered in default on the entire outstanding loan balance. Generally, if the total overdue amount is not paid by the end of the calendar quarter following the calendar quarter in which repayment was due, your loan will be in default and the outstanding loan balance (including accrued interest) will be reported to the IRS as current taxable income to you and may be subject to penalties for early distribution. Your loan will remain outstanding and that portion of your Account held as collateral for your loan, *e.g.*, the amount invested in the TIAA Retirement Loan Contract is not available for benefit payments until you have repaid your loan. Repayment may be made either by direct repayment or by deemed repayment through a plan loan offset (that is, repayment of your outstanding loan by application of your loan collateral up to the amount that is due at such time as permitted by law).

Spousal Consent

If you are married at the time you make a loan request, your spouse must consent to the loan. Your spouse's consent must be in writing and witnessed by a notary public. Unless a Qualified Domestic Relations Order requires otherwise, your spouse's consent is not required if you are legally separated or if you have been abandoned (within the meaning of local law) and you have a court order to such effect. Spousal consent is also not required if you can establish that you have no spouse or that he or she cannot be located.

Qualified Military Service

At your request, loan payments will be suspended while you are performing Qualified Military Service. Also, if you take a loan and are then called to Qualified Military Service, the Servicemembers Civil Relief Act (“SCRA”) requires that the interest rate on your loan cannot exceed 6% during your Qualified Military Service if you provide written notice of your call to military service and a copy of your military orders (or any order extending your military service) to Fidelity or TIAA-CREF, as applicable, within 180 days after you terminate service or are released from military service. You should contact Fidelity or TIAA-CREF, as applicable, for additional information prior to your Qualified Military Service if you wish to take advantage of these options.

Distributions From Your Account

Contact Your Investment Company

The Investment Companies administer all withdrawals and distributions under the Plan. To request a withdrawal or distribution:

- **Fidelity.** Visit the Fidelity Investments website at www.plan.fidelity.com/nu (Plan ID 56005) or call (800) 343-0860 to speak with a representative.
- **TIAA-CREF.** Visit the TIAA-CREF Web Center at www.tiaa-cref.org/northwestern or call the TIAA-CREF National Contact Center at (800) 842-2776.

While You Are Employed by the University

You may withdraw all or portion of your Account while you are employed by the University to the extent permitted under terms of your Investment Funds as set forth below. Participant loans are also permitted, see *Participant Loan Program* Section for further information.

- **Attainment of age 59½.** You may withdraw all or a portion of your Employee Supplemental Retirement Contributions at any time on or after attaining age 59½.
- **Rollover Contributions.** You may withdraw all or a portion of your Rollover Contributions and related earnings thereon at any time.
- **Upon Hardship.** You may withdraw all or portion of your Employee Supplemental Retirement Contributions upon hardship as described below.
- **Upon Disability.** You may withdraw all or a portion of your Account at any time after you have been receiving disability benefits from the University's long-term disability plan; provided, that you must be totally and permanently disabled if you are under age 59½.

Except as provided above, you may not make withdrawals from your Account while employed by the University. If you wish to request a withdrawal, contact your Investment Company to obtain a withdrawal application. In-service withdrawals are subject to federal income tax when you receive them and you may be subject to a 10% penalty tax if you are under age 59½. See *Tax Information* section below for further information.

Hardship Withdrawals

You may request a hardship withdrawal of your Employee Supplemental Retirement Contributions. You may not withdraw earnings credited after December 31, 1988 on account of hardship.

General Requirements

Hardship withdrawals are administered by the Investment Companies in accordance with the “safe harbor” rules set forth in Treasury Regulations. The amount of your hardship withdrawal cannot exceed the exact amount needed to cover your financial need, plus any income taxes or penalties reasonably anticipated to result from the hardship withdrawal. In addition, in order to receive approval for a hardship withdrawal:

- You must first obtain all other distributions, other than hardship distributions, and all nontaxable (at the time of the loan) loans from the Plan; and
- You may not make Employee Supplemental Retirement Contributions to the Plan or before-tax contributions to any other University deferred compensation plan for six months from the date of your hardship withdrawal.

Immediate and Heavy Financial Need

Your Investment Company will approve a hardship withdrawal only on account of an “immediate and heavy financial need” arising from:

- Unreimbursed medical expenses for you, your spouse, a dependent, or a properly designated primary beneficiary;
- Purchase of your principal residence (vacation homes are excluded), excluding mortgage payments;
- Post-secondary education (*e.g.*, college), tuition and related educational fees and room and board expenses for the next 12 months for you, your spouse, a dependent, or a properly designated primary beneficiary;
- Amounts necessary to prevent foreclosure or eviction from your principal residence (*e.g.*, unpaid rent or mortgage payments);
- Unreimbursed burial or funeral expenses for your spouse, a dependent, a properly designated primary beneficiary, or a deceased parent;
- Unreimbursed expenses for the repair of damage to your principal residence that qualifies for the casualty loss deduction under Section 165 of the Internal Revenue Code (without regard to whether the loss exceeds 10% of adjusted gross income); or
- Such other expenses that the IRS may later define as giving rise to an immediate and heavy financial need.

For purposes of the above, a “primary beneficiary” means a primary beneficiary of the portion of your Account invested with the Investment Company.

After You Terminate Employment

After you terminate employment, you can commence distributions from your Account at any time. The value of your Account will depend on the amount of your Plan Contributions and the investment performance under the Investment Funds you selected. Once you decide to start

receiving distributions, you have the flexibility to start distribution from the various Investment Funds on different dates and you can elect different forms of payment under the various Investment Funds as follows:

- **Different Benefit Commencement Dates.** If you have amounts invested in multiple Investment Funds, *e.g.*, the TIAA Traditional Annuity, a CREF Account, and various Mutual Funds, you can elect different benefit commencement dates for each Investment Fund. For example, you can elect that amounts invested in your Mutual Funds be distributed immediately following termination and defer distribution of amounts invested in the TIAA Traditional Annuity and the CREF Account.
- **Different Forms of Payment.** If you have amounts invested in multiple Investment Funds, *e.g.*, the TIAA Traditional Annuity, a CREF Account, and various Mutual Funds, you can also elect different forms of payment under each Investment Fund. In the case of the TIAA Traditional Annuity, the TIAA Real Estate Account, and CREF Accounts, however, you must have at least \$10,000 for each form of payment. For example, assume you have \$20,000 in the TIAA Traditional Annuity and \$10,000 each in two CREF Accounts. You can elect up to four different forms of payment with spousal consent if applicable. Also, if you elect to have amounts invested in Mutual Funds paid in the form of a lifetime annuity, you must transfer those amounts to the TIAA Traditional Annuity, the TIAA Real Estate Account, or to a CREF Account. For further information regarding the different forms of payment, see *Normal Form of Payment* and *Optional Forms of Payment* sections below.

Distributions are subject to federal income tax when you receive them and you may be subject to penalty tax if you are under age 59½. See *Tax Information* section below for further information.

Starting Distributions

To start distributions from one or more of your Investment Funds, you must contact your Investment Company.

Your Investment Company will send you (by mail or electronic delivery) a distribution packet that will include a distribution election form, detailed information about the available payment options, and tax information on distributions from the Plan.

Your distribution election form will require certification of your termination of employment by the Benefits Division. You may obtain this certification either by mailing your completed application to the Benefits Division or by scheduling an appointment with the Benefits Division during business hours. You should submit your distribution election form to the Benefits Division at least a month before the date on which you want your distributions to begin.

Normal Form of Payment

If you are married on the date you commence distribution from an Investment Fund, the Investment Company is required to pay distributions in the form of a Qualified Joint and Survivor Annuity unless you and your spouse waive the Qualified Joint and Survivor Annuity and your spouse consents to an optional form of payment. Under a Qualified Joint and Survivor

Annuity, monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) are made for your lifetime and, at your death if your spouse survives you, he or she will receive payments equal to 50% of your lifetime payment. After your surviving spouse dies, all payments stop.

If you are not married on the date you commence distribution from an Investment Fund, the Investment Company is required to pay distributions in the form of a Single Life Annuity unless you waive the Single Life Annuity and elect an optional form of payment. Under a Single Life Annuity, monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) are made for your lifetime, and at your death, all payments stop.

If you or your spouse does not waive the normal form of payment form for amounts invested in Mutual Funds, you must transfer those amounts to the TIAA Traditional Annuity, the TIAA Real Estate Account, or to a CREF Account if you wish to commence distributions.

Optional Forms of Payment

Description of Forms of Payment

The optional forms of payment vary depending on the Investment Funds in which your Account is invested and are governed by the terms of the Investment Funds. The optional forms of payment currently include:

- **Single Life Annuity Option.** This option enables you to receive amounts invested in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account in the form of monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) for life with payments stopping at your death. A single life annuity provides you with a larger payment than the survivor annuity options. This option is also available with a 10, 15, or 20 year guaranteed payment period (but not exceeding your life expectancy at the time you begin annuity payments). If you die during the guaranteed period, payments in the same amount that you would have received continue to your Beneficiary(ies) for the rest of the guaranteed period.
- **Survivor Annuity Option.** This option enables you to receive amounts invested in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account in the form of monthly payment (or, in the case of small payments, quarterly, semi-annual, or annual payments) for life, and if your co-annuitant lives longer than you, he or she continues to receive a monthly payment (or, in the case of small payments, quarterly, semi-annual, or annual payments) for his or her life. The amount of the payment continuing to your co-annuitant depends on which of the following four options you choose:
 - **Half Benefit to Co-Annuitant.** Payments continue as long as you live. If you die and your co-annuitant survives you, he or she will receive one-half of the payment you would have received if you had lived.
 - **Full Benefit to Co-Annuitant.** Payments continue as long as either you or your co-annuitant is living.

- **75% Benefit to Co-Annuitant.** Payments continue as long as you live. If you die and your co-annuitant survives you, he or she will receive 75% of the payment you would have received if you had lived.
- **66-2/3% Benefit to Survivor.** At the death of either you or your co-annuitant, payments are reduced to two-thirds of the amount that would have been paid if both of you had lived, and the reduced payment is continued to the survivor for life.

All survivor annuities are available with a 10, 15, or 20 year guaranteed period, but not exceeding the joint life expectancies of you and your co-annuitant at the time you begin annuity payments.

- **Retirement Transition Benefit Option.** This option enables you to receive a one-time lump sum payment of up to 10% of amounts invested in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account at the time you start payments under an annuity option. The one-time payment cannot exceed 10% of the amounts then being converted to an annuity.
- **Interest Payment Retirement Option (IPRO).** This option enables you to receive payment from the TIAA Traditional Annuity equal to the contractual interest rate plus dividends that would otherwise be credited to your TIAA Traditional Annuity *and* is available only if (1) you are between the ages of 55 and 69½ and (2) you have at least \$10,000 in the TIAA Traditional Annuity. Under the IPRO, your invested amount is not reduced because monthly payments are limited to the interest earned. Interest payments made under the IPRO must continue for at least 12 months and thereafter will continue until you begin or must begin receiving payments under an annuity option. When you do begin annuity payments from the TIAA Traditional Annuity, you may choose any of the available annuity options. If you die while receiving interest payments under the IPRO, your Beneficiary will receive the amount of your balance, plus interest earned but not yet paid.
- **Fixed Period Option.** This option enables you to receive amounts over a fixed-period of time. You may select a fixed period between two (2) and 30 years or five (5) and 30 years depending on your Investment Fund. At the end of the selected period, all payments stop. If you die during the selected period, payments will continue in the same amount to your Beneficiary for the duration of your selected period. This option is currently not available for amounts invested in TIAA-CREF Mutual Funds.
- **Minimum Distribution Option (MDO).** This option enables you to automatically comply with federal tax law distribution requirements *and* is available only in the year you attain age 70½ or retire, if later. Under the MDO, you will receive the minimum distribution that is required by federal tax law while preserving as much of your Account as possible. If you die while receiving payments under the MDO, your Beneficiary will receive the remaining portion(s) of your Account. This option is currently not available for amounts invested in the TIAA-CREF Life Cycle Funds.
- **Lump Sum or Partial Lump Sum Distribution Option.** This option enables you to receive all or a portion of amounts invested in your Investment Funds in the form of a lump sum distribution or partial lump sum distributions. Partial lump sum distributions are administered through the Investment Company's systematic withdrawal service. This service (provided free of charge) allows you to specify the amount and frequency of payments. Currently, the initial amount must be at least \$100 per investment fund. Once payments

begin, they will continue at the frequency you specify, *i.e.*, monthly, quarterly, semi-annually, or annually. You can change the amount and frequency of payments, as well as stop and restart payments as your needs dictate. Once you receive the entire amount invested in such Investment Funds, no future benefits from those Investment Funds will be payable to you, your spouse, or Beneficiary upon your death.

The above descriptions of the optional forms of payment are summaries. In the event there is an inconsistency between the above descriptions and the payment form available under the terms of your Investment Funds, the terms of your Investment Funds will govern.

Amount of Lifetime Payments

If you elect to have all or a portion of your Account paid in the form of lifetime annuity payments, the amount of your annuity payments will depend on a number of factors – the amount subject to the payment option, the annuity option elected, your age, and if applicable, your co-annuitant’s age at time payments commence.

Contact TIAA-CREF

The rules used to determine lifetime benefit payments under the different payment options are somewhat complex. Contact TIAA-CREF for details.

For example, the amount of your lifetime annuity payments will be greater under the Single Life Annuity Option versus a Survivor Annuity Option. This is because your payments under a Survivor Annuity Option are reduced to take into account that payments continue to your spouse or other Beneficiary after your death.

If you choose to have your amounts invested in the TIAA Traditional Annuity paid in the form of a lifetime annuity, the amount of your annuity payment will consist of the guaranteed amount plus dividends that may be declared each year. If you choose to have your amounts invested in the TIAA Real Estate Account or a CREF Account paid in the form of a lifetime annuity, the amount of your annuity payment is based on the value of the accumulation units you own, a value that changes daily.

Also keep in mind that federal tax laws may limit the length of a guaranteed period or the amount of a survivor annuity if you name a co-annuitant who is not your spouse.

Electing an Optional Form of Payment

The election of an optional form of payment must be made during the 180-day period before distributions payments begin. If you are married when distributions begin and you wish to elect an optional payment form or a co-annuitant other than your spouse, your spouse must consent within the same 180-day period. The waiver also may be revoked during the same 180-day period but cannot be revoked after payments begin.

Your spouse’s consent must be in writing and witnessed by a notary public and must contain his or her acknowledgment as to the effect of the consent and that it is irrevocable. Your spouse must either consent to a specific form of payment or provide a general consent that expressly permits you to choose an optional form of payment without his or her consent. Your spouse’s consent is not required if you are legally separated unless a Qualified Domestic Relations Order

(described below) requires otherwise or if you have been abandoned (within the meaning of local law) and you have a court order to such effect. Spousal consent is also not required if you can establish that you have no spouse or that he or she cannot be located.

Direct Rollovers

If you receive a distribution that is an “eligible rollover distribution,” you may roll over all or a portion of it either directly or within 60 days after receipt into an individual retirement account or annuity (IRA) described in Section 408(a) or 408(b) of the Internal Revenue Code, including a Roth IRA described in Section 408A of the Internal Revenue Code, a qualified plan described in Section 401(a) or 403(a) Internal Revenue Code, a tax-deferred annuity contract described in Section 403(b) of the Internal Revenue Code, or an eligible plan described in Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that accepts your eligible rollover distribution and to the extent required, separately accounts for your eligible rollover distribution. An eligible rollover distribution, in general, is any cash distribution other than an annuity payment, a minimum distribution payment, a payment that is part of a fixed period payment over ten or more years, or a hardship withdrawal.

Eligible rollover distributions are subject to a mandatory federal income tax withholding rate of 20% *unless* it is rolled over directly to an IRA or other eligible retirement plan; this process is called a “direct rollover.” If you have an eligible rollover distribution paid to you, then 20% of the distribution must be withheld even if you intend to roll over the money into an IRA or other eligible retirement plan. This means that, in order to roll over the entire distribution in a 60-day rollover to an IRA or other eligible retirement plan, you must use other funds to make up for the 20% withheld. To avoid withholding, request your Investment Company to directly roll over an eligible rollover distribution.

Required Minimum Distributions

Generally, distributions from your Account must commence no later than April 1 of the calendar year following the year in which you attain age 70½, or, if later, April 1 following the calendar year in which you terminate employment from the University. The amount of your required minimum distribution depends on the value of your Account and whether you elect to have your required minimum distributions calculated over your life expectancy or the joint life expectancy of you and a designated Beneficiary. You may satisfy the minimum distribution requirement by taking your entire required minimum amount from either the Plan or from any other 403(b) plan in which you have an account balance. The payment of your required minimum distributions is extremely important because federal tax laws impose a 50% excise tax on the difference between the required minimum distribution amount and the amount actually distributed if it is less than the required minimum distribution amount. The foregoing rule does not apply to amounts contributed to TIAA-CREF prior to January 1, 1987 if such amounts were accounted for separately by TIAA-CREF. For further information regarding the special rules that apply to amounts accumulated prior to January 1, 1987, contact TIAA-CREF. To ensure that your required minimum distributions are made timely and in the proper amount, you can elect the Minimum Distribution Option described under *Optional Forms of Payment* section above. You should keep the Investment Companies informed of your current mailing address. The

University is not responsible for any excise taxes that may be imposed if you cannot be located at the time a required minimum distribution is due.

Qualified Domestic Relations Orders

The Plan will comply with a decree or order issued by a court that establishes the rights of another person (referred to as an “**Alternate Payee**”) to all or a portion of your Account to the extent that the decree or order is a “Qualified Domestic Relations Order” or “QDRO”. A decree or order is a QDRO if it is consistent with the terms and conditions of the Plan and your Investment Funds. A QDRO may preempt the usual requirements that your spouse be considered your primary Beneficiary for all or a portion of your Account. The Investment Companies will determine if a decree or order meets the requirements of a QDRO:

- **Fidelity Investments.** With respect to amounts invested with Fidelity Investments, you or your attorney can obtain a description of the procedures for QDRO determinations (“QDRO Procedures”) as well as a model Fidelity QDRO at no charge from the Fidelity Investments website at www.plan.fidelity.com/nu (Plan ID 56005) or by calling (800) 343-0860. Requests for determination as to whether a decree or order is a QDRO can be sent to Fidelity Investments as follows:
 - **By Mail or Delivery:** P.O. Box 770001, Cincinnati, OH 45277-0003
 - **By Facsimile:** Not Available.
- **TIAA-CREF.** With respect to amounts invested with TIAA-CREF, you or your attorney can obtain a description of the procedures for QDRO determinations (“QDRO Procedures”) as well as a model TIAA-CREF QDRO at no charge from the TIAA-CREF Web Center at www.tiaa-cref.org/ or by calling the TIAA-CREF National Contact Center at (800) 842-2776. Requests for determination as to whether a decree or order is a QDRO can be sent to TIAA-CREF as follows:
 - **By Mail or Delivery:** P.O. Box 1259, Charlotte, NC 28201
 - **By Facsimile:** (800) 914-8922

It is recommended that prior to filing a decree or order with the court, you or your attorney should send a draft decree or order to Fidelity Investments or TIAA-CREF for review. By doing so, required revisions can be made prior to filing and you will avoid multiple filings with the court.

An Alternate Payee may request a distribution (to the extent permitted under the QDRO) as soon as administratively practicably following the date the domestic relations order is determined to be a QDRO and prior to the Participant’s termination date. The process by which the amount awarded is paid to the Alternate Payee shall be determined by the Investment Company including, but not limited to, the issuance or establishment of separate contracts on behalf the Alternate Payee.

Tax Information

Distributions from the Plan are subject to federal income tax when you receive them. Some of the rules that affect the taxation of your distributions are as follows:

Lifetime Annuity Payments. Annuity payments paid over your lifetime are not subject to mandatory federal income tax withholding. You may elect that withholding not apply to your payments but if you do nothing, federal income tax will be withheld as if you are married claiming three withholding allowances. You may not roll over annuity payments to an IRA or other eligible retirement plan. The election to waive withholding will be included in the distribution packet sent to you by TIAA-CREF and must be completed before annuity payments can commence.

Periodic Payments. Periodic payments may or may not be subject to mandatory federal income tax withholding. If your periodic payments are scheduled to last for a period of less than 10 years, the payments are treated as lump sum distributions and are subject to tax as described below. If your periodic payments are scheduled to last for a period of 10 years or more, the payments are treated like lifetime annuity payments and are subject to tax as described above. You also may be required to pay an additional 10% tax penalty if one or more of your periodic payments is an early distribution as described below.

Lump Sum Distributions. Lump sum distributions are subject to a mandatory federal income tax withholding rate of 20% to the extent you do not elect a direct rollover to an IRA or other eligible retirement plan. See the *Direct Rollover* section above for further information regarding direct rollovers. If you roll over all or a part of your lump sum distribution within 60 days, that portion will not be subject federal income tax in the year of distribution and will continue to be tax-deferred. Portions that are not timely rolled over are treated as taxable income in the year of distribution and you may be required to pay income taxes in addition to the 20% withheld when you file your tax return for that year. You also may be required to pay an additional 10% tax penalty if your distribution is an early distribution as described below.

Early Distribution Penalty. If you receive a distribution prior to age 59½, the portion you do not roll over to another tax-deferred retirement vehicle is subject to an additional 10% penalty federal excise tax unless the distribution is made because:

- You terminate employment with the University at age 55 or older;
- You die or become disabled;
- You elect to receive distributions as part of a series of substantially equal periodic payments (not less frequently than annually) for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your Beneficiary; or
- The distribution is received pursuant to a Qualified Domestic Relations Order.

The tax information described above is not intended to give specific tax advice to you (or your Beneficiaries). A professional tax advisor is your best source of information about the tax laws applicable to distributions from the Plan.

Death Benefits

Amount of Death Benefit

If you die *after* you commence distributions under an Investment Fund, the amount payable to your Beneficiary or, if applicable, your co-annuitant will depend on the payment option you elected. For example, if you elected that amounts invested in the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account be paid in the form of a survivor annuity, then your co-annuitant will receive the survivor benefit you elected. Alternatively, if you elected a lump sum distribution or a single life annuity from the TIAA Traditional Annuity, the TIAA Real Estate Account, or a CREF Account, your surviving spouse or other Beneficiary will receive nothing.

If you die *before* you commence distributions under an Investment Fund or you elected periodic lump sum distributions from an Investment Fund, the entire value (or remaining value) of your investment funds is payable as a death benefit. If you are not married at the time of your death, the entire value of your Investment Funds will be paid to your designated Beneficiary(ies). If you are married at the time of your death, at least 50% of the entire value (or remaining value) of your Investment Funds is payable to your spouse in the form of a Qualified Pre-Retirement Survivor Annuity (as described below) unless your spouse waives the Qualified Pre-Retirement Survivor Annuity or waives the Qualified Pre-Retirement Survivor Annuity and consents to a non-spouse Beneficiary as described below.

Forms of Payments for Death Benefits

- **Qualified Pre-Retirement Survivor Annuity.** If you are married on the date of your death, your Investment Company is required to pay at least 50% of your death benefits in the form of a Qualified Pre-Retirement Survivor Annuity to your surviving spouse. Under a Qualified Pre-Retirement Survivor Annuity, monthly payments (or, in the case of small payments, quarterly, semi-annual, or annual payments) are made for your spouse's lifetime, and at his or her death, all payments stop. Your surviving spouse may waive the Qualified Pre-Retirement Survivor Annuity and elect an optional payment form. Alternatively, you may choose the form of payment to your spouse during your lifetime if you do so in a manner acceptable to your Investment Company.
- **Optional Forms of Payment.** A surviving spouse who waives the Qualified Pre-Retirement Survivor Annuity or a non-spouse Beneficiary may elect any optional payment form. Alternatively, you may choose the form of payment to your Beneficiary during your lifetime if you do so in a manner acceptable to your Investment Company. The optional payment forms available are similar to the optional payment options described in the *Distributions From Your Account* Section. For further information regarding distributions to Beneficiaries and available forms of payment, contact your Investment Company. If your death benefits are paid in the form of an eligible rollover distribution, a surviving spouse and non-spouse Beneficiary may elect a direct rollover as described in the *Distributions From Your Account* Section. A non-spouse Beneficiary, however, may only elect a direct rollover to an individual retirement account or an individual retirement annuity described in Section 408(a)

or Section 408(b) of the Internal Revenue Code, respectively, that will be treated as an inherited IRA pursuant to the provisions of Section 402(c)(11) of the Internal Revenue Code.

Designating your Beneficiary

Beneficiary Designation Form

It is important for you to designate one or more Beneficiaries by completing a Beneficiary Designation Form or separate Beneficiary Designation Forms if you have amounts invested with Fidelity Investments and TIAA-CREF. Your Beneficiary is the person who will receive your death benefits, if any.

Online submission of Beneficiary Designation Form
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You are encouraged to complete your Beneficiary Designation Form online through the Investment Companies websites.

Please note the following:

- If you are not married, you can name anyone as your Beneficiary.
- If you are married at the time of your death, your spouse is automatically entitled to 50% of your death benefits. You can name anyone as your Beneficiary with respect to remaining 50% of your death benefits. If you wish to designate a Beneficiary other than your spouse to receive more than 50% of your death benefits, your spouse must consent to your choice of Beneficiary or Beneficiaries. *For additional information regarding the designation of a non-spouse Beneficiary, see below.*

To complete a Beneficiary Designation Form:

- **Fidelity Investments.** To designate a Beneficiary for amounts invested with Fidelity Investments, you can complete your Fidelity Investments Beneficiary Designation Form online through the Fidelity Investments website at www.plan.fidelity.com/nu (Plan ID 56005). If you are married and designate a Beneficiary other than your spouse to receive more than 50% of your death benefits, your beneficiary designation is not complete (or effective) until you mail a signed and notarized Spousal Consent Form to Fidelity Investments at the address below:

Fidelity Investments
P.O. Box 770002
Cincinnati, OH 45277-0090

If you do not wish to complete your Fidelity Investments Beneficiary Designation Form online, you may print a paper copy from the Fidelity Investments website or you may request a paper copy by calling (800) 343-0860. You must send the Fidelity Investments Beneficiary Designation Form and, if applicable, Spousal Consent Form to Fidelity Investments at the address above.

- **TIAA-CREF.** To designate a Beneficiary for amounts invested with TIAA-CREF, you can complete your TIAA-CREF Beneficiary Designation Form online through the TIAA-CREF Web Center at www.tiaa-cref.org/northwestern. If you are married and designate a

Beneficiary other than your spouse to receive more than 50% of your death benefits, your beneficiary designation is not complete (or effective) until you mail a signed and notarized Spousal Consent Form to TIAA-CREF at the address below:

TIAA-CREF
P.O. Box 1268
Charlotte, N.C. 28201

If you do not wish to complete your TIAA-CREF Beneficiary Designation Form online, you may print a paper copy from the TIAA-CREF Web Center or you may request a paper copy by calling the TIAA-CREF National Contact Center at (800) 842-2776. You must send the TIAA-CREF Beneficiary Designation Form and, if applicable, Spousal Consent Form to TIAA-CREF at the address above.

Failure to Properly Designate a Beneficiary

A Beneficiary Designation Form that is filed with one Investment Company is not effective with respect to amounts held by another Investment Company. If you fail to designate a Beneficiary, improperly designate a Beneficiary, or if no Beneficiary survives you, your death benefits, if any, will be distributed as set forth below:

A Beneficiary Designation is not effective until a complete Beneficiary Designation Form and, if required, Spousal Consent Form, is received by your Investment Company.

- If you are not married on the date of your death and a Beneficiary Designation Form is not on file with your Investment Company on the date of your death or your designated Beneficiary does not survive you, 100% of your death benefits, if any, will be paid to your estate.
- If you are married on the date of your death and a Beneficiary Designation Form is not on file with your Investment Company on the date of your death or your designated Beneficiary does not survive you, 100% of your death benefits, if any, will be paid to your spouse. If you improperly designated a non-spouse Beneficiary, for example, you filed a Beneficiary Designation Form with TIAA-CREF designating that 100% of your death benefits be paid to a non-spouse Beneficiary but failed to file a completed Spousal Consent Form with TIAA-CREF prior to your death, 50% of your death benefits will be paid to your designated non-spouse Beneficiary but the remaining 50% of your death benefits will be paid to your spouse.

Periodic Review of Your Designated Beneficiary

You should review your beneficiary designation periodically to make sure the person you want to receive your death benefit is properly designated. 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 as a matter of law. However, your divorce will not automatically revoke a beneficiary designation naming your former spouse as your Beneficiary. You can change your Beneficiary at any time (subject to the spousal consent requirement) by submitting a new Fidelity Investments Beneficiary Designation Form to Fidelity Investments or a new TIAA-CREF Beneficiary Designation Form to TIAA-CREF, as applicable.

You may obtain Beneficiary Designation Forms and, if applicable, a Spousal Consent Forms from your Investment Company.

Designation of Non-Spouse Beneficiary

If you are married and you wish to designate a Beneficiary other than your spouse for more than 50% of your death benefits, the following rules apply:

Applicable Election Period

You may designate a non-spouse Beneficiary at any time but you may not designate a non-spouse Beneficiary with respect to more than 50% of your death benefits until your applicable election period that begins on the later of (1) the first day of the Plan Year in which you attain age 35 or (2) the day you first becomes a Participant. If you terminate employment with the University prior to the first day of the Plan Year in which you will attain age 35, the applicable election period begins on the date of your termination. The applicable election period ends on the first to occur: (1) the date of your death or (2) the date you start receiving benefit payments. You may also revoke your designation during the applicable election period. If you designate a non-spouse Beneficiary prior to the time you are permitted to do so, such designation will not be treated as an effective designation with respect to 50% of your death benefits but will be treated as an effective designation with respect to amounts not required to be paid to your spouse. Also, consent by a former spouse is not effective with respect to a subsequent spouse.

Spousal Consent

Your spouse must waive the Qualified Pre-Retirement Survivor Annuity and consent to your Beneficiary or Beneficiaries. Your spouse's waiver and consent must be in writing and witnessed by a notary public and must contain his or her acknowledgment as to the effect of the waiver and consent and that it is irrevocable. Your spouse may provide a general consent that expressly permits you to designate a Beneficiary without any further consent by your spouse. If a designated Beneficiary dies, a new consent is necessary unless your spouse gave his or her express consent of your right to designate a new one without further spousal consent. Your spouse's consent is not required if you are legally separated unless a Qualified Domestic Relations Order requires otherwise or if you have been abandoned (within the meaning of local law) and you have a court order to such effect. See *Distributions From Your Account* Section, for further information regarding Qualified Domestic Relations Orders. Spousal consent is also not required if you can establish that you have no spouse or that he or she cannot be located.

Required Minimum Distributions

Generally, death benefits must be distributed by December 31 of the fifth calendar year after your death. Under a special rule, death benefits may be payable over the life or life expectancy of your Beneficiary. If your Beneficiary is your spouse, distributions under the special rule can be deferred until December 31 of the calendar year that you would have attained age 70½ had you continued to live. If your Beneficiary is not your spouse, distributions must commence not later than December 31 of the calendar year immediately following the calendar year of your death. The distribution of death benefits in accordance with these rules is extremely important.

Federal tax law imposes a 50 percent excise tax on the difference between the amount of distribution required by law and the amount actually distributed if it is less than the required minimum amount. The foregoing rule does not apply to amounts contributed to TIAA-CREF prior to January 1, 1987 if such amounts were accounted for separately by TIAA-CREF. For further information regarding the special rules that apply to amounts accumulated prior to January 1, 1987, contact TIAA-CREF. The Investment Companies will notify your Beneficiary of the applicable requirements at the time he or she notifies them of your death. If your Beneficiary fails to timely notify an Investment Company of your death, the University is not responsible for any excise taxes that may be imposed if your death benefits are not distributed timely.

Claims and Appeals Procedures

Claims Procedures

If all or part of your claim for benefits (or a claim by your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order) is denied under the Plan, the Plan Administrator or its delegate (claim administrator) will send you (or your Beneficiary or authorized representative) a written or electronic explanation of denial setting forth (1) the specific reasons for the denial, (2) references to the Plan's provisions upon which the denial is based, (3) a description of any missing information or material necessary to process your claim (together with an explanation why such material or information is necessary), (4) an explanation of the appeals procedures for the Plan, as applicable, and (5) a statement of your right to bring a civil action under Section 502(a) of ERISA if your claim is denied upon appeal.

An explanation of denial will be sent within 90 days following receipt of your benefit claim by the claim administrator unless the claim administrator determines that special circumstances require an extension of time for processing your claim. In the event an extension is necessary, you will receive written or electronic notice of the extension prior to the expiration of the initial 90-day period. The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. In no event shall the period of the extension exceed 90 days from the end of the initial 90-day period.

Appeals Procedures

If your claim for benefits is denied and you (or your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order) or an authorized representative wish to appeal the denial of your claim, you must submit a written appeal to the Plan Administrator, in care of the Benefits Division, within 60 days after you receive the denial notice. You must exhaust the appeal procedures under the Plan prior to seeking any other form of relief. Under the Plan's appeals procedures:

- You may include written comments, documents, records and other information relating to your claim.
- You may review all pertinent documents and, upon request, shall have reasonable access to or be provided free of charge, copies of all documents, records, and other information relevant to your claim.

The Plan Administrator or its delegate will provide a full and fair review of the appeal and will take into account all your claim related comments, documents, records, and other information submitted without regard to whether such information was submitted or considered under the initial determination.

The Plan Administrator will send you written or electronic notice of the decision rendered with respect to your appeal within 60 days following its receipt and all necessary documents and information unless the Plan Administrator determines that special circumstances require an

extension of time for processing the appeal. In the event an extension is necessary, a written or electronic notice of the extension will be sent to you prior to the expiration of the initial 60-day period. The notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision is expected to be rendered. In no event shall the period of the extension exceed 60 days from the end of the initial 60-day period.

In the case of a denial of an appeal, the written or electronic notice of such denial shall set forth (1) the specific reasons for the denial, (2) references to the Plan's provisions upon which the denial is based, (3) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relating to your claim for benefits, and (4) a statement of your right to bring a civil action under Section 502(a) of ERISA.

Any decision of the Plan Administrator (or its delegate) made hereunder shall be final, conclusive and binding upon you, the Plan, and the University, and the Benefits Division will take appropriate action to carry out such decision.

Bar on Civil Action

You (or your Beneficiary or Alternate Payee under a Qualified Domestic Relations Order) may not commence a civil action pursuant to ERISA Section 502(a)(1) with respect to a benefit under the Plan after the earlier of:

- Three (3) years after the occurrence of the facts or circumstances that give rise to, or form the basis for, such action; or
- One (1) year from the date you had actual knowledge of the facts or circumstances that give rise to, or form the basis for, such action.

Notwithstanding the foregoing, in the case of fraud or concealment, such action may be commenced not later than three (3) years after the date of discovery of the facts or circumstances that give rise to, or form the basis for, such action.

Other Plan Information

Plan Administrator

The Plan Administrator is the University. The Plan Administrator has the duty to establish reasonable rules and procedures for the Plan's administration and has the power to delegate day-to-day administration of the Plan. The Plan Administrator has the discretionary power and authority to determine all questions relating to the administration of the Plan, including, but not limited to, questions relating to eligibility to participate, reconciling any question or dispute arising under the Plan, and interpreting the plan document. Any determinations made by the Plan Administrator shall be final and binding.

Amendment and Termination of the Plan

The University has reserved the right to terminate the Plan or to amend the Plan under circumstances that the University deems advisable (including, but not limited to, cost or plan design considerations). Current participation in the Plan does not vest in any Participant any rights to any particular benefit coverage in the future. In the event of termination or amendment or elimination of benefits, the rights and obligations of Participants prior to the date of such event shall remain in effect, and changes shall be prospective, except to the extent that the University or applicable law provides otherwise.

Creditor Claims

By law, no one other than you and your Beneficiary have any claims to the benefits payable under the Plan. This means that you cannot assign or pledge your benefits to any creditor or other person, and a third party's claims for Plan benefits payable to you are ineffective. There is an exception to this rule. The Plan will comply with a Qualified Domestic Relations Order that directs the Plan to pay a specified portion of your Plan benefits to a spouse, former spouse, and/or for child support. See the *Distributions From Your Account* Section for further information.

Cost of Plan Administration

All costs of administering the Plan will be paid by the Plan except as otherwise provided in this Summary Plan Description or plan documents.

Pension Benefit Guaranty Corporation (PBGC)

Benefits under the Plan are not insured by the PBGC. The PBGC is the government agency that guarantees certain types of benefits under certain type of plans.

Your ERISA Rights

You are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that you shall be entitled to:

Receive Information about the Plan and Benefits

As a Participant, you are entitled to receiving the following information about the Plan and your benefits:

- Examine, without charge, at the Benefits Division and at other specified locations, such as worksites, all documents governing the Plan, including insurance contracts, and a copy of the latest annual reports (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 Benefits Division, copies of documents governing the operation of the Plan, including annuity contracts or custodial account agreements, and copies of the latest annual reports (Form 5500 Series) and updated Summary Plan Description. The Benefits Division may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual reports. The Plan Administrator is required by law to furnish each Participant with a copy of these summary annual reports.
- Obtain statements reflecting the value of your total Account held on your behalf under the Plan which is the current amount available to you at normal retirement age if you do not commence benefit payments sooner. These statements must be requested in writing and is not required to be given more than once every twelve (12) months. The Benefits Division must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Participants of the Plan, 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 you and other Participants of the Plan and their Beneficiaries. No one, including the University, the Plan Administrator, 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.

Enforce 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 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 reports from the Benefits Division and do not receive them within 30 days, you may file

suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Benefits Division. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan Administrator's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that the Plan's 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 the Plan, you should contact the Benefits Division. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the University, 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 References

Name of Plan:	Northwestern University Voluntary Savings Plan
Plan Number:	003 When requesting additional information about the Plan from the Department of Labor, refer to the above plan number.
Employer/ Plan Administrator:	Northwestern University c/o Benefits Division, Office of Human Resources 720 University Place Evanston, Illinois 60208-1143 (847) 491-7513 benefits@northwestern.edu Employer Identification Number: 36-2167817
Investment Companies:	Fidelity Investments, Inc. P.O. Box 770001 Cincinnati, OH 45277-0003 (800) 343-0860 www.fidelity.com Teachers Insurance and Annuity Association- College Retirement Equities Fund (TIAA-CREF) 730 Third Avenue New York, NY 10017 (800) 842-2776 www.tiaa-cref.org
Agent for Service of 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.
Plan Year:	January 1 through December 31 The Plan's accounting records are maintained on the basis of the Plan Year.