

NORTHWESTERN UNIVERSITY RETIREMENT PLAN ANNUAL SAFE HARBOR PLAN NOTICE

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

Please read this Notice carefully because it contains important information regarding the Plan. More information about the Plan, including the Plan’s eligibility requirements, can be found in the Plan’s summary plan description (“SPD”) at www.northwestern.edu/hr/benefits/retirement.

The University will make safe harbor matching contributions to eligible Plan participants for the 2023 Plan year (January 1 – December 31) as described in this Notice. If you are eligible to participate in the Retirement Plan, you are eligible to receive the safe harbor matching contributions in accordance with the terms of the Plan. These matching contributions are intended to satisfy certain non-discrimination requirements under the Internal Revenue Code.

Employee Deferral Contributions

If you satisfy the eligibility requirements for the Retirement Plan, you may elect to contribute up to 5% of your “Eligible Earnings” to the Plan on a pre-tax basis and/or as designated Roth contributions. Your elective deferrals to all defined contribution plans, including the Retirement Plan and other 403(b) plans, cannot exceed \$22,500 in 2023. However, if you are age 50 or older at any time in 2023, you may also make catch-up contributions to the Plan (up to an additional \$7,500 for 2023).

Safe Harbor Matching Contributions

If you elect to make pre-tax and/or Roth contributions to the Retirement Plan, the University will match 100% of your elective deferral contributions to the Plan, up to a maximum of 5% of your Eligible Earnings, for the pay period. These matching contributions are “Safe Harbor Matching Contributions,” which are intended to be “safe harbor” matching contributions as described in Section 401(m)(11) of the Internal Revenue Code.

In addition, the University will “true up” your Safe Harbor Matching Contribution at the end of each Plan year to ensure you receive the maximum matching contribution under the Plan. If your Safe Harbor Matching Contribution, when calculated on an annual basis, exceeds the amount of Safe Harbor Matching Contributions you received during the Plan year, you will receive an additional “true up” Safe Harbor Matching Contribution equal to the difference.

The University may amend the Plan, at any time during the Plan year, to reduce or suspend the Safe Harbor Matching Contributions. If the University amends the Plan to reduce or suspend the Safe Harbor Matching Contribution during the Plan year, eligible employees will receive supplemental notice of the reduction or suspension, generally at least 30 days before the suspension or reduction of Safe Harbor Matching Contribution is effective.

Other Retirement Plan Contributions

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

Eligible Earnings

Generally, “Eligible Earnings” means your base salary. Accordingly, Eligible Earnings does not include reimbursements or other expense allowances, fringe benefits (cash and noncash), non-

qualified deferred compensation, or welfare benefits (such as short-term disability payments or severance pay). If you are a highly compensated employee, your Eligible Earnings do not include supplemental pay and pay for temporary assignments or additional assignments.

Your Eligible Earnings are measured for the portion of the Plan year during which you are a participant in the Retirement Plan. The Plan limits the total Eligible Earnings that will be taken into account under the Plan for purposes of calculating Safe Harbor Matching Contributions and Automatic Retirement Contributions. For 2023, this limit is \$330,000.

How to Make or Change Your Elective Deferral Contributions

You may enroll in the Retirement Plan or change your current elective deferral contributions through [myHR](#) (choose the Benefits tile and then select My Savings Plan Elections) or by calling 800-343-0860. Your election will be effective beginning with the payroll period after it is processed and will apply to all pay periods thereafter until you change it.

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

Vesting

You are always 100% fully vested in your elective deferral contributions (pre-tax and Roth), Safe Harbor Matching Contributions, and Automatic Retirement Contributions to the Retirement Plan.

Distributions

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

You may request a Plan withdrawal or distribution by contacting your investment company at 800-642-7131 (Fidelity) or 800-732-8353 (TIAA). To learn more about taxation of Plan distributions and the additional 10% tax, refer to IRS Publication 575, *Pension and Annuity Income*.

Plan Amendment and Termination

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

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If you have any questions about the Plan or this Notice or if you would like a paper copy of this Notice or the SPD, please contact 847-491-4700 or askHR@northwestern.edu.