

Guide to Assist Employees Considering Time Off Alternatives

These guidelines summarize the impacts, if any, to an employee's benefits during paid time off (PTO) (including time off coded as HRC (High Risk COVID-19)), unpaid time off (UNP) or a reduced work schedule. This summary provides guidelines for specific scenarios only and not all. For detailed information, please refer to the [Summary Plan Descriptions](#) (SPDs) of the health and retirement plans available at Fidelity NetBenefits® at www.netbenefits.com/northropgrumman and [Company Manual USHR 3-41 for PTO information](#). You may also call the Northrop Grumman Benefits Center at 800-894-4194 or the Human Resources Service Center at 855-737-8364 if you have any questions. Please note that this information is as of April 13, 2020 and could be impacted by future plan design changes (if any). Employees represented by a union should check their collective bargaining agreement for benefit eligibility information.

Benefit	PTO (including HRC and negative PTO)	Unpaid Time Off (UNP) (Company Manual USHR 3-56 limits employees to 80 consecutive hours of unpaid time before moving to an LOA*.)	Reduced Work Schedule
Health <ul style="list-style-type: none"> Medical/Dental/Vision Flexible Spending Accounts (FSAs) Health Savings Account (HSA) 	No change	Coverage continues when using UNP. If you charge a portion of your pay-period to UNP, as long as your payroll check can cover the appropriate contributions, there will be no issue. If you do not receive a paycheck from Northrop Grumman or your pay is insufficient to cover your contributions, your missed contributions will be deducted from your next payroll check.	You remain eligible for benefits if you are regularly scheduled to work 20 or more hours per week. If your reduced pay is insufficient to cover your contributions, the missed contributions will be taken from your next full paycheck.
Insurance <ul style="list-style-type: none"> Basic and Optional Life and Accidental Death & Dismemberment (AD&D) Basic and Optional Short-term and Long-term Disability (STD and LTD) 	No change	Coverage continues when using UNP. If you charge a portion of your pay-period to UNP, as long as your payroll check can cover the appropriate contributions, there will be no issue. If you do not receive a paycheck from Northrop Grumman or your pay is insufficient to cover your contributions, your missed contributions will be deducted from your next payroll check.	You remain eligible for benefits if you are regularly scheduled to work 20 or more hours per week. If your reduced pay is insufficient to cover your contributions, the missed contributions will be taken from your next full paycheck. Your life insurance and AD&D coverage will be based on reduced base pay. If you qualify for STD or LTD, your benefit will be based on your reduced base pay.
Savings Plan	No change	Your own and Northrop Grumman's contributions will be based on the eligible compensation you receive, if any, during the pay period. Loans: If your pay is insufficient to cover a loan repayment, the NGBC will notify you of any missed repayments that must be paid to avoid a taxable loan default. Missed loan repayments will not be deducted from your paycheck upon return to a paid status. Loan(s) cannot be re-amortized.	Your own and Northrop Grumman's contributions will be based on the eligible compensation you receive during a reduced schedule. You can elect to contribute a higher percentage to make up for your contributions; Northrop Grumman's contributions cannot be made up. Loans: Loan repayments continue if your reduced pay is sufficient. The NGBC will notify you of any partial or missed loan repayments that must be paid to avoid a taxable loan default. Missed loan repayments will not be deducted from your paycheck upon return to a paid status. Loan(s) cannot be re-amortized.
Pension Program	No change	If you are earning a cash balance benefit, your pay-based credits will be based on eligible compensation you receive, if any; interest credits will continue.	If you are earning a cash balance benefit, you receive pay-based credits based on your reduced earnings; interest credits continue.
Paid Time Off (PTO) Accrual	No change	No change. You accrue PTO based upon your standard work week. However, for certain represented and SCA employees, PTO accrual is based upon actual hours worked.	You accrue PTO on a pro-rated amount, if you are regularly scheduled to work 20 or more hours per week.
Annual Bonus	No change	No change	Bonus payment prorated based on the part-time base pay, if you are regularly scheduled to work 20 or more hours per week.
Severance Benefits	No change	No change	Severance benefit based on reduced pay, if you are regularly scheduled to work 20 or more hours per week.

**If your unpaid time off moves to an unpaid leave of absence, your Health and Insurance benefits coverage will be limited depending on your type of leave, and your Savings Plan, Pension Program, PTO Accrual, Annual Bonus and Severance Benefits will be impacted.*

This summary and the content on the *Benefits & You OnLine* website provide highlights of important information about your participation in Northrop Grumman's total rewards program. Complete details about the plans are contained in the legal plan documents that govern plan operation and administration. If there is a discrepancy between the information provided in this summary or the website and the provisions of the plan documents, the plan documents will govern. Northrop Grumman reserves the right in its sole discretion to terminate, suspend, withdraw, amend, or modify the plans or any benefit or cost-sharing arrangement under any plan at any time and for any reason.