



Focused on You

When you need it the most,
we've got you covered.

Annual Enrollment: Oct. 22–Nov. 13

2021 Benefits Guide

**NORTHROP
GRUMMAN**



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Questions?

If you have questions about enrolling, or if you would like to enroll over the phone by speaking with a Benefits Center service representative, call the Northrop Grumman Benefits Center at **800-894-4194**, Monday through Friday (except most New York Stock Exchange holidays), between 8:30 a.m. and midnight, Eastern Time. TTY service is available by calling **888-343-0860**. If you are calling from outside the United States, dial the AT&T out-of-country access number followed by **800-894-4194**. You'll need your *Fidelity NetBenefits*[®] password or voice recognition (if enrolled in MyVoice) to secure your call.



A Message from Ann Addison

Corporate Vice President and
Chief Human Resources Officer

Northrop Grumman is committed to your health and well-being and offers benefits and resources to help you be at your best. We continue to focus on you, especially as the world around us changes.

Annual Enrollment begins Oct. 22. This is your opportunity to assess your needs against your current benefit selections, evaluate alternatives and make changes as appropriate for you and your family during this period. Last year, we introduced significant changes to our medical plans, which were well received, thus, we didn't make any changes to the plans in 2021.

We're offering exciting updates, including our new comprehensive, integrated *Total Rewards Gateway* website that brings your benefits, resources and rewards to you in one place. We're also introducing pet insurance and a new expert medical opinion program.

This benefits guide and the *Total Rewards Gateway* can help you make informed choices about your 2021 coverage. ALEX®, the virtual health assistant at *NetBenefits®*, can also help you in comparing plans.

Additionally, we're launching "What's Your Goal?" to illustrate how our benefits, programs and resources can help you throughout the year. Whether you want to maximize your health care dollars, take active charge of your health, manage your work and life or build upon a solid foundation of well-being, many of the Northrop Grumman benefits and well-being programs can help you meet your goals. We've got you covered.

We hope you find this guide helpful as you make decisions about your coverage and manage your total well-being now and into 2021.

Be well.

Step-by-Step Enrollment

This is the time to review your benefits choices and make your selections for the new plan year, which begins **Jan. 1, 2021**.*



**Annual Enrollment is
Oct. 22–Nov. 13, 2020**

1 Learn about Your Benefits Choices

- Read this guide to learn what's new and to review your benefits options for 2021.
- Visit the *Total Rewards Gateway* at totalrewards.northropgrumman.com for additional details about your benefits.

2 Enroll in Your 2021 Benefits

- Log on to *NetBenefits* at netbenefits.com/northropgrumman to:
 - Review your 2021 benefits options and costs.
 - Make your new Health Savings Account (HSA) or Flexible Spending Account (FSA) elections for 2021 (if applicable). **Your current HSA and FSA elections will NOT carry over to 2021.**
 - Submit your final elections by midnight, Eastern Time on Nov. 13, 2020.
- The elections you make during this Annual Enrollment period will be effective from Jan. 1 through Dec. 31, 2021.

3 Review and Validate Your Choices

- Review and update your beneficiary designation information on *NetBenefits*.
- Review your confirmation statement online. You will receive instructions on how to access your confirmation statement on *NetBenefits* when it's available. If you need a printed copy, please call the Northrop Grumman Benefits Center at **800-894-4194**.
- Be prepared to verify your dependent's eligibility if you enroll a new dependent during Annual Enrollment. You will receive more information by mail for verifying dependents.



The ALEX® benefits tool can help you choose your “best-fit” medical or dental plan based on your information. Employees who enroll in ALEX’s recommended plan are often surprised at the value and savings of taking ALEX’s advice. ALEX is available at *NetBenefits* at netbenefits.com/northropgrumman during Annual Enrollment from Oct. 22–Nov. 13.

*If you are on a leave of absence, there are special rules regarding the changes you can make to your benefit elections effective Jan. 1, 2021. Contact the Northrop Grumman Benefits Center at **800-894-4194** for information.

What's New

Plan Changes and Information

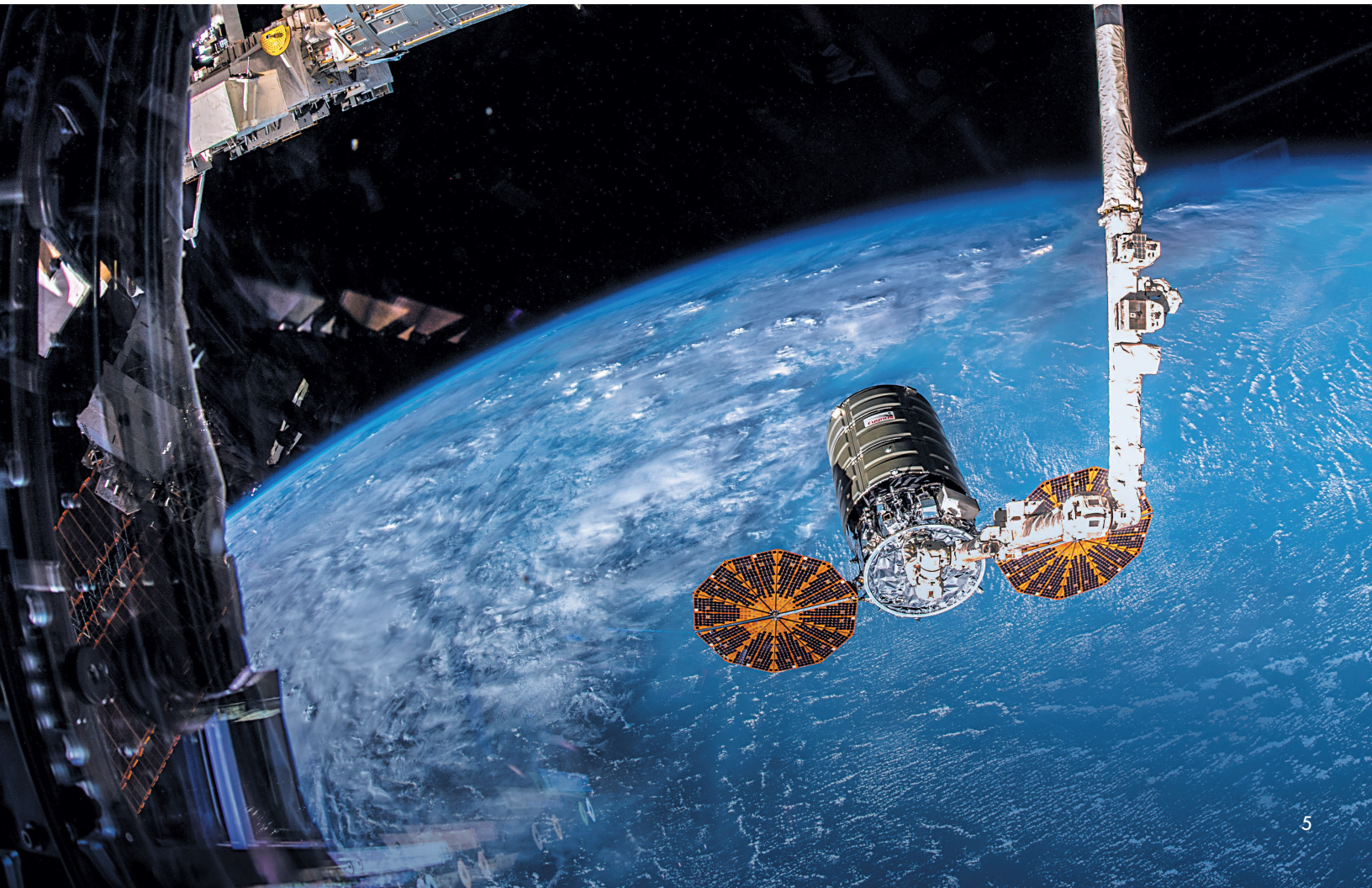
There are no changes to our current health care plans in 2021, except for a nominal increase in medical premiums. You can find plan information, including the 2021 medical, dental and vision rates, in this guide and by visiting *NetBenefits*.

Pet Insurance Program

Protect your pet's health — and your budget — with pet insurance. Your pet will have coverage for check-ups, accidents, illness and more. If you elect this coverage during Annual Enrollment, premiums are conveniently paid through payroll deductions beginning with your first paycheck in January. See page 10 for more information if you are currently enrolled in pet insurance with Nationwide (provided through Beneplace).

New Expert Medical Opinion Program Available

Did you know 10-15% of medical diagnoses are missed or incorrect? ConsumerMedical® is available **now** to all Anthem participants. This expert medical opinion program, with surgery decision support, is designed to improve the quality of care you receive and help you make medical decisions with confidence. See page 9 for details.



What's Your Goal?

We understand everyone's overall goal is unique to their individual situation. That's why we've created a combination of plans, programs and resources to support you on your personal journey and what's most important to *you*. Certain benefits options must be elected during Annual Enrollment, but many of these resources are available year round.

The following examples are of fictional employees and are for illustrative purposes only.

"I want to stretch my health care dollars to get the coverage I need."



**People Like Me
MEET LEE**

"With the expenses of a growing family, we're pretty careful with our spending. I want to know we have the right coverage, and that we're not spending more than we should when we need care."

Consider these action steps:

- Think about your needs for the coming year and use ALEX® to choose the optimal medical and dental plans for you during Annual Enrollment
- Participate in the Well-being Incentive Program to receive up to a \$1,000 contribution to your HSA
- Consider Telemedicine, a cost-efficient, convenient and safer alternative to an in-person office visit
- Use *Engage* to compare costs to get the best value for the services you need

"I want to take charge of my health concerns."



**People Like Me
MEET CHRISTINA**

"My health has taken a back seat given all of my other priorities. I'm focused on getting access to the right programs and resources to get me back on track."

Consider these action steps:

- Use *Engage* to track healthy activities, find the best doctors and learn about plan programs
- Get your annual physical, which is covered in full for you and your enrolled dependents
- Manage stress with 24/7 assistance from NGCare
- Tap into personal, one-on-one health coaching through Anthem Health Guides or Kaiser for extra motivation
- Use the medical and dental plans' preventive exams for early detection of health issues
- Get a flu vaccination

 Visit the new *Total Rewards Gateway* at totalrewards.northropgrumman.com to learn more.



The following examples are of fictional employees and are for illustrative purposes only.

"I want to manage my work and life responsibilities."



**People Like Me
MEET GOPAL**

"I work hard and I've done a fairly good job planning for the future. But with a variety of personal commitments and the uncertainty caused by recent events, I'm not enjoying as much free time as I used to. I want to make sure I'm managing my work and life."

Consider these action steps:

- Take advantage of flexible work arrangements, where available, such as 9/80, flexible schedules, flexible workplace and working remote/telecommuting
- Use NGCare for 24/7 assistance in balancing work and life commitments, strengthening relationships and managing stress
- Learn about family support options through NGCare
- Attend *My Well-being* webinars for "how-to's"
- Sign up for weekly mindfulness breaks and monthly mindfulness 101 sessions

"I've been doing everything I should and want to build on that momentum."



**People Like Me
MEET CHERISE**

"I'm feeling confident about the progress I've made so far. My job is going well, and I've been true to my financial plan over the years. I have more time to focus on my job and my volunteer work at the animal shelter. I want to improve my well-being, crank up my retirement savings and build on my existing financial plan."

Explore these programs and tools available to you during enrollment and throughout the year:

- Check out financial wellness seminars hosted by Fidelity
- Enroll in one of the two MetLife Legal Plans during Annual Enrollment for access to online estate planning
- Consider Fidelity's Personalized Planning & Advice (managed account) service available to Northrop Grumman Savings Plan participants
- Work with a College Coach who can provide expert consultation about saving and paying for college for yourself or a dependent
- Learn about volunteerism and get involved through VolunteerING
- Expand your network by joining an Employee Resource Group (ERG) to meet people with similar characteristics and life experiences

My Well-being: Focused on You

Achieving a complete sense of well-being is a journey, and Northrop Grumman offers benefits, programs and resources to help you along that journey... in every aspect of your life. *My Well-being* supports your overall well-being — **physical, financial, emotional and social** — and helps you thrive and achieve your personal goals. When you're at your best, we're at our best as a team.



Physical

Focused on maintaining good health and staying active

Physical health is about maintaining a healthy lifestyle and staying active. Simple lifestyle choices like regular exercise, good nutrition and sleeping habits can help you manage and prevent diseases, and your ability to heal naturally. Northrop Grumman's total rewards give you access to health coaches and discounted gym memberships, and also provide an incentive program to reward you for your good behaviors, preventive care coverage at 100% and ongoing support to keep you on the right path.

Here's how Northrop Grumman supports your **physical** well-being:

Medical/Rx, dental and vision coverage to meet your unique needs

You have access to several medical plan options, all of which cover preventive care visits at 100%. You also have access to dental and vision coverage so you can stay on top of your overall health.

Help "kicking the habit"

Access to tobacco cessation programs to support a healthier you.

Anthem and Kaiser members only.

Access to health care whenever and wherever you need it

Connect with doctors online — 24/7 — for a fraction of the cost of an in-person office visit through *LiveHealth® Online*.

Well-being Incentive through Engage to keep you on track

Get rewarded for making positive well-being choices.

Health coaching when you need the extra support

A wellness expert who can motivate you to engage in positive health choices.

Anthem and Kaiser members only.

Free flu shots for all employees

Flu shots are available to all employees either through your medical plan or through a CVS flu shot voucher.

Expert medical opinion through ConsumerMedical

Personalized one-on-one support to help you make medical decisions with confidence.

Anthem members only.

Weight management program discounts

Get discounts on and reimbursement for certain weight management and fitness clubs.

My Well-being Expos to keep you connected

Annual expos to connect you with well-being specialists. A virtual expo is planned for 2020.



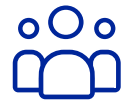
Physical



Financial



Emotional



Social

New!

Expert Medical Opinion Program with ConsumerMedical®

Access an expert team of doctors, nurses and researchers with personalized, one-on-one support to help you make medical decisions with confidence. ConsumerMedical can help you understand any medical condition and all available treatment options, get a second opinion and more. This voluntary benefit is available at no cost to employees and their dependents enrolled in an Anthem plan.

Before you say "yes" to surgery, ConsumerMedical can help you weigh the risks, benefits and alternative treatment options that could work best for *you*. Even if you decide against ConsumerMedical's recommendation, you may qualify for a \$400 prepaid card or \$400 HSA contribution (provided by ConsumerMedical) if the service is used with respect to certain surgical decisions.

In accordance with privacy and security rules under HIPAA, the results of your consultation are never shared with Northrop Grumman.

Look for more information that will be mailed to your address of record, or contact ConsumerMedical at **888-361-3944**, Monday through Friday, 8:30 a.m. to 11 p.m. Eastern Time, or at myconsumermedical.com. To register, enter company code NGC.

**consumer
medical**

Download the free *MyMedicalAlly* app from the App Store or Google Play.



Get the Details

These are only a few of the benefits and programs we offer to support your total well-being. Visit the new *Total Rewards Gateway* at totalrewards.northropgrumman.com to learn more.





Financial

Focused on planning for today and saving for tomorrow

Your total well-being also includes your financial health. From building emergency savings, to creating a budget, to being confident in your investing decisions, Northrop Grumman wants to help you feel more in control of your finances today — and your financial plan for tomorrow.

Here's how Northrop Grumman supports your financial well-being:		
<p>A retirement plan and company match to help boost your savings</p> <p>Contribute 1% to 75%¹ of your eligible pay to the Northrop Grumman Savings Plan and you'll get a matching contribution based on the sub-plan in which you participate.</p>	<p>Discounts on goods and services</p> <p>Save money when you shop on Beneplace, the Northrop Grumman Employee Discount Program website.</p>	<p>Protection for the unexpected</p> <p>You have basic life and accidental death & dismemberment (AD&D) insurance at no cost to you, and the option to purchase optional life insurance for yourself and your family.</p>
<p>Retirement account access 24/7*</p> <p><i>NetBenefits</i> allows you to easily change your Savings Plan contribution rates and investment funds and update beneficiary(ies) virtually any time.</p>	<p>Save for health care expenses with an HSA² and FSA</p> <p>Set aside pre-tax money to cover qualified medical expenses.</p>	<p>Access to legal assistance with MetLife Legal Plans</p> <p>You have two plan options to choose from: Basic and Advantage, depending on your needs.</p>
<p>Financial security if you can't work</p> <p>You have basic Short-term Disability (STD) and Long-term Disability (LTD) coverage at no cost to you, and the option to purchase Optional LTD.</p>	<p>Learn about financial well-being</p> <p>Attend a <i>My Well-being</i> webinar about numerous financial topics — from budgeting and developing an emergency fund, to making investments, to building a retirement income plan.</p>	<p>Save on child care expenses with a Dependent Day Care FSA</p> <p>Set aside pre-tax dollars to pay for eligible dependent day care expenses.</p>
<p>Refinance your student loans at a lower rate</p> <p>Northrop Grumman employees and family members qualify for a 0.125% rate discount. Get more information from SoFi.</p>	<p>Investment management service to help you meet your goals</p> <p>Fidelity® Personalized Planning & Advice offers a personalized planning dashboard and access to professionals who can help you manage your financial priorities.³</p>	<p>College Coaching to help plan and save</p> <p>Get help to plan and save for your child's education.</p>

*There is a maintenance period when some services may not be available.

New! Pet Insurance with Nationwide

Effective Jan. 1, 2021, you can cover your dog, cat, bird, rabbit, reptile or other exotic pet and pay your premiums through convenient payroll deductions. You can visit any licensed veterinarian, anywhere in the world — including specialists and emergency providers. Veterinary professionals are also available 24/7 through **vethelpline**®, a service provided exclusively for Nationwide pet insurance members, to discuss any pet health concern.

If you are currently enrolled in pet insurance with Nationwide (provided through Beneplace), and would like to switch to payroll deduction, call the Northrop Grumman Benefits Center at **800-894-4194**. You do not need to re-enroll during Annual Enrollment.

¹Up to 35% if considered a highly compensated employee by the IRS.

²You must be enrolled in a high deductible health plan to be eligible for an HSA.

³Fidelity® Personalized Planning & Advice at Work is a service of Fidelity Personal and Workplace Advisors LLC and Strategic Advisers LLC. Both are registered investment advisers, are Fidelity Investments companies and may be referred to as "Fidelity," "we," or "our" within. For more information, refer to the Terms and Conditions of the Program. When used herein, Fidelity Personalized Planning & Advice refers exclusively to Fidelity Personalized Planning & Advice at Work. **This service provides advisory services for a fee.**



Emotional

To build a strong and resilient you

Emotional well-being uses healthy practices and perspectives in your life, such as stress management, generating positive emotions, being resilient and living with a sense of purpose. Emotional well-being often includes social support, mindfulness exercises, activities to help you relax, and getting professional help when you need it.

Here’s how Northrop Grumman supports your **emotional** well-being:

<p>Support for everyday living</p> <p>Work/Life Solutions provides guidance and support to help you manage everyday issues, such as parenting, elder care, moving and relocation, household projects and contractors, pet care, leisure and wellness.</p>	<p>Family care support</p> <p>Find support for back-up child and elder care, sitters and nannies, support for homeschooling children, free homework help trial, special needs learning support, college planning and more.</p>	<p>Counseling services when you need additional support</p> <p>NGCare offers you and your family members access to licensed counselors, 24 hours a day, seven days a week, at no cost to you.</p>
<p>Online depression screening to help you understand your emotions</p> <p>This short, confidential online screening may give you insight into whether you’re experiencing a case of “the blues” or depression.</p>	<p>Mindfulness micro-breaks to help you increase focus</p> <p>Join NGCare each week for a guided 10-minute mindfulness practice.</p>	<p>Resources to help you cope with disabilities or illness</p> <p>A Work/Life Solutions specialist can research information about support groups, advocacy organizations, training programs, assistive technology, respite care and more.</p>

Make Life Easier with NGCare

When life’s challenges come your way, your NGCare can provide confidential guidance and support to help you reach your personal and professional goals, manage your busy schedule and bounce back from hardships. You and your family members can call **800-982-8161**, 24 hours a day, 7 days a week.

How NGCare Can Help...

- Achieving personal goals
- Creating work-life harmony
- Resolving conflicts
- Weight loss, stress management
- Strengthening relationships
- Improving communication skills
- Planning marriage or birth of a child
- Addressing worries/concerns keeping you awake at night

You can call NGCare EAP & Work-Life Solutions at **800-982-8161** or email us at **NGCare@ngc.com**.



Social

To foster meaningful relationships

Social well-being is about having strong relationships. Spending time connecting with friends and family can strengthen your relationships and connections. Focusing on yourself allows you to understand your feelings and emotions. Social well-being often includes social support, volunteering, engaging in social activities and connecting with others with shared characteristics or life experiences.

Here's how Northrop Grumman supports your **social** well-being:

<p>Pay it forward by giving back</p> <p>Volunteer your time through corporate citizenship.</p>	<p>Participate with your friends and family in Engage challenges</p> <p>Take part in challenges and track your progress with friends and family.</p>	<p>BRAVO to our Stars¹</p> <p>Recognize accomplishments, show your appreciation and celebrate successes of your colleagues by sending eRecognition for a job well done.</p>
<p>Be a friend. Be active. Be a volunteer. Be a leader. Be recognized. Be yourself.</p> <p>That's what happens when you join one of our 13 Employee Resource Groups with over 270 chapters across the U.S., U.K. and Australia.</p>	<p>Expand your network with the mentoring program</p> <p>Mentoring Matters, the Northrop Grumman mentoring program, helps each of us grow as a leader — regardless of our job level. Stretch your knowledge boundaries and build positive relationships across the enterprise.</p>	



A New ERG Launched this Year!

This year, Northrop Grumman launched its thirteenth ERG, a virtual employee resource group called vERGe. vERGe brings together virtual employees and telecommuters who perform all forms of virtual work. This is a forum for networking, discussing opportunities and challenges related to working virtually, online tools and best practices.

¹Available to most non-represented employees. Available to represented employees only if consistent with the terms of their collective bargaining agreement. Employees of SBUs are not eligible.

Employee Resource Groups

Be a friend. Be active. Be a volunteer.

Be a leader. Be recognized. Be yourself.

That's what happens when you join an ERG.

Join one or more chapters near you or virtually

Did you know? There are...

13

Employee resource groups (ERGs)

→ **There's one for you**

25K

ERG members across the company

→ **There's room for more**

266

ERG chapters across the U.S., U.K. and Australia

→ **They're everywhere**

What's in it for you?



View a full listing of ERGs by location.

Type ERG in your Intranet Browser

- Adelante
- African American Task Group (AATG)
- Asian Pacific Professionals Network (APPN)
- ConectING (CING)
- Generation to Generation (Gen2Gen)
- greenG
- Native American Caucus (NAC)
- NGFAMILY
- Northrop Grumman International Women's Network (NGWIN)
- Pride in Diversity Alliance (PrIDA)
- Virtual eRG (VERGE)
- Veterans, Employees and Reservists Inspired to Act and Serve (VERITAS)
- Allies for Disability Inclusion (The VOICE)

Take Control of Your Well-being with *Engage*

Engage is a personalized, digital well-being assistant provided by Northrop Grumman at no cost to you and your covered spouse or domestic partner. *Engage* is designed to optimize your health and well-being benefits, with activities, challenges, personalized advice and recommendations.

With *Engage*, you can:

- **Learn** how to earn and track the well-being incentive
- **Sync** your activity devices and log steps, eating and sleeping patterns and earn reward points for completing self-care activities
- **Participate** and earn points for competing in challenges and completing self-care activities such as Connect, Read, Meditate, Drink H2O, Stretch and the financial assessment on *NetBenefits*
- **Receive** important updates about your benefits and new offerings

If you are enrolled in an Anthem plan, with *Engage*, you can also:

- **Find** doctors using quality ratings and first-hand patient reviews
- **See** what's covered and check costs before you get care
- **Learn** about health perks you didn't even know existed
- **Link to** many of our resources, such as *LiveHealth® Online*, or Anthem's tobacco cessation program
- **Access** your medical and pharmacy benefits in one place



How to Register

Engage is available on the web or via the *Engage Wellbeing* mobile app.

- To register, click *Go There Now for Engage* on the *Total Rewards Gateway*
- If you have already registered, simply click "Sign In" on the *Engage* home page
- If you were a Castlight user, there's no need to register. Just log in to *Engage* using your existing login credentials



What Employees Are Saying



"I love the *Engage* platform — entering in activities to earn points motivates me to stay focused on my goals. I really enjoyed the "Walk with Friends" challenge. It encouraged me to keep adding more steps to my day. More importantly, I love that, with all the stress we face, I work for a company like Northrop Grumman that addresses all dimensions of their employees' well-being: physical, social, emotional and financial!"

Lorie M., Defense Systems, Administrative Assistant, Rockville, MD

"It's always a goal of mine to take steps towards a healthier lifestyle. The My Well-being Program and the *Engage* platform make the process fun and rewarding. It's a breeze to keep track of the daily hours I've been sleeping, connect *Engage* to my watch to track my steps, and keep track of my caloric intake. If that wasn't easy enough, I won a fun gift card to keep up the momentum."

Nicoya J., Mission Systems, Principal Human Resources Business Partner, Baltimore, MD



"I was challenged by a co-worker. He and his wife made it a fun game to try and one-up each other. It got me out of the house and away from my desk. My dogs loved all the walks. With all the walking, along with a better balanced diet, I was able to shed 15 pounds!"

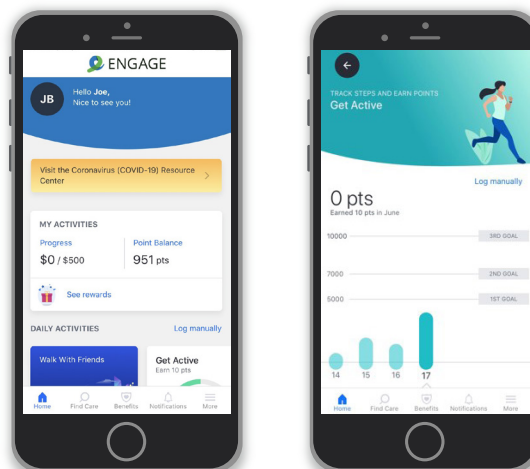
Michelle P., Space Systems, Administrative Assistant, Dulles, VA

"I absolutely love using the *Engage* app! It helps me focus on the areas I want to maintain or improve while earning points to enter to win rewards. I was ecstatic to hear that I won the Ninja blender in the Q2 2020 rewards center drawing!"

Ashley G., Space Systems, Sr. Program Cost Schedule Control Analyst, Magna UT

"The *Engage* experience is only positive. There is good information and I check in regularly. I signed up as a reminder to stay active in addition to the daily work challenge. I believe I am a better worker and friend with a healthy body and mind. Being chosen for a drawing is a fun bonus — I plan to stay involved with the site going forward!"

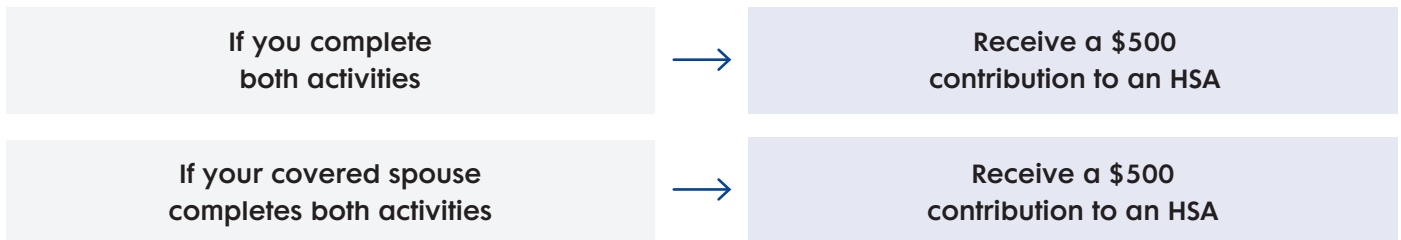
Sheila R., Aeronautics Systems, Manager, Strategy & Site Integration, Oklahoma City, OK



The experience of these participants may not be representative of the experience for all participants.

Well-being Incentive Program — Receive Up to \$1,000

The Well-being Incentive Program encourages annual physicals — the key to early detection of health problems. When you complete both the annual physical and the *Engage* health assessment, Northrop Grumman will contribute \$500 or \$1,000 to an HSA¹, which can help you pay for eligible out-of-pocket costs now — or you can save it until your retirement². You must complete both activities between Jan. 1 and Sept. 30, 2021 to qualify for the incentive in 2021.



The Well-being Incentive Program is available to active employees enrolled in most medical plans³.

In accordance with privacy and security rules under HIPAA, the individual results of your annual physical and health assessment — as well as any other health services you receive — are never shared with Northrop Grumman. Safeguards are in place to protect the privacy and security of your medical information.

If you cannot see your physician in 2021 for your annual physical, consider one of these options. All are covered at 100 percent.

1. Contact your provider to discuss if they can do a telephonic or virtual annual physical.
2. Receive care in the comfort of your home with Heal at [heal.com](https://www.heal.com). Heal can conduct a full physical exam and comprehensive medical history. Available to Anthem members in California, Washington, D.C. and Virginia only.
3. Complete a wellness screening with Quest at your local Quest Patient Service Center or via an at-home testing kit. Log into *Engage* and navigate to the Benefits page. Select the “Biometric Screening Benefit” to choose your option.

How to Open Your HSA

To receive Northrop Grumman’s HSA contribution, it’s important that you open an HSA through Fidelity Investments when you make your Annual Enrollment elections or anytime thereafter through *NetBenefits*. Northrop Grumman cannot make a contribution until you establish your HSA. To qualify for the incentive, you must be an active employee at the time the company makes the HSA contribution. When you make your HSA election, keep in mind Northrop Grumman’s contribution counts toward the IRS limit. Because the HSA is your account, you can stop or change your elections virtually any time online through *NetBenefits* or by calling the Northrop Grumman Benefits Center at **800-894-4194**.

If you do not want to make your own HSA contributions but would like to receive the incentive in the form of an HSA contribution, you must elect to contribute \$0.00 to an HSA on *NetBenefits*.

¹Employees who do not set up an HSA with Fidelity Investments®, or who are not eligible for an HSA, will receive their incentive via payroll as taxable income.

²Kaiser members need to also complete a wellness agreement. Visit [KP.org/engage](https://kp.org/engage) and select “Sign On” to complete the wellness program agreement.

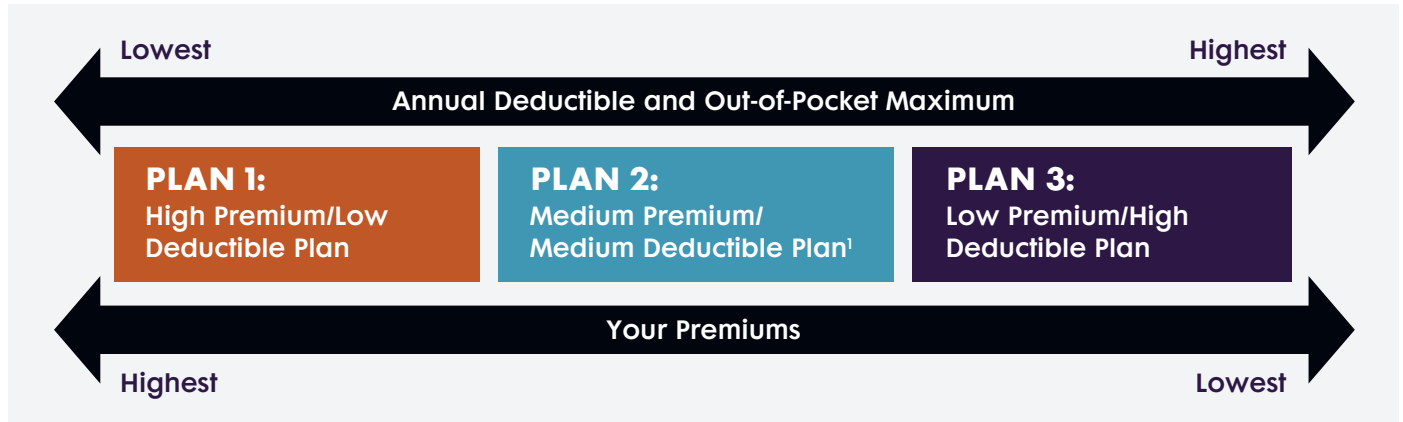
³Except if you are enrolled in the TRICARE Supplement, HMSA or Kaiser Hawaii.

Your Medical Plan Options: A Closer Look

Anthem Plans

The Anthem plans allow you to choose a plan based on what is important to you and determined by your estimated medical expenses. Consider whether you want a lower or higher deductible and out-of-pocket maximum during the year or if you would rather pay a higher or lower premium. Your preference will determine which plan is the best fit.

Below is a summary.



All three plans...

- Cover preventive care at 100%
- Use the BlueCard PPO Anthem provider network (also known as the National PPO network)
- Include CVS Caremark® prescription drug coverage

See a comparison of the plans on pages 18 and 19.

Kaiser HMO Plans

HMO plan options are offered through Kaiser, and their availability varies depending on your location. Review the plan's summary of benefit coverage applicable to your area for details on plan coverage. For more information on Kaiser services and programs, visit the *Total Rewards Gateway* website.

If You Don't Make a Choice

If you don't make a choice during the Annual Enrollment period, you will be automatically enrolled in your current plan.

Need Help with Your Choice?

The medical plan options provide a wide variety of alternatives for how and when you spend your health care dollars. If you anticipate your medical costs to be low, you may prefer a *lower premium* in exchange for a higher deductible. Or, if you anticipate your medical costs to be high, you may prefer a lower deductible in exchange for a *higher premium*.

How do you decide which plan is right for you and your family?

When you choose a medical plan, it's important to consider your anticipated medical needs, whether or not you prefer a higher or lower deductible and premium, and which plan offers you the best value.

- 1 **Review** your past 24 months of claims information at [anthem.com](https://www.anthem.com) to help estimate your average annual health care usage and how you've historically spent your annual deductible and out-of-pocket maximum. Claim costs include both medical and prescription drug claims.
- 2 **Use** the online ALEX® tool to compare plans based on your unique and anticipated health care usage.

¹Plan 4: Medium Premium/Deductible Utah Extended Network Plan is available in Utah/Idaho. This plan has the same benefit level as Plan 2: Medium Premium/Medium Deductible Plan, but broader network access that includes Intermountain Healthcare System.

Anthem Options at a Glance

To help you consider and evaluate your potential out-of-pocket costs, below is a comparison of the key features of the medical plan options and monthly employee contributions.

	PLAN 1: High Premium/Low Deductible Plan	PLAN 2: Medium Premium/Medium Deductible Plan ¹	PLAN 3: Low Premium/High Deductible Plan
Annual In-network Medical Deductible (Out-of-network deductibles are double the in-network deductibles. In addition, out-of-network deductibles and in-network deductibles accumulate separately. For example, amounts applied to the in-network deductible do not also apply to the out-of-network deductible, and vice versa.)			
Employee Only	\$1,000	\$1,700	\$3,500
Employee + Spouse	\$1,500	\$2,800	\$5,250
Employee + Child(ren)	\$1,500	\$2,800	\$5,250
Employee + Family	\$2,000	\$3,400	\$6,750
Annual Prescription Drug Deductible			
Employee Only	\$150	Included in medical deductible	Included in medical deductible
Employee + Spouse	\$200		
Employee + Child(ren)	\$200		
Employee + Family	\$250		
Annual In-network Medical Coinsurance (For out-of-network coverage, the plan pays 50% of the allowed amount)			
Preventive	All plans provide 100% coverage for nationally recommended preventive care services		
Non-preventive	Plan pays 80% after deductible	Plan pays 80% after deductible	Plan pays 70% after deductible
Annual In-network Prescription Drug Coinsurance (For out-of-network coverage, the plan pays 50% of the allowed amount)			
Preventive	All plans provide 100% coverage for certain eligible preventive prescription drugs through in-network pharmacies or mail order. Other preventive drugs may require a coinsurance payment that will not be subject to the deductible.		
Non-preventive	After the applicable deductible: <ul style="list-style-type: none"> • For generic drugs, the plan pays 80% • For preferred brand-name drugs, the plan pays 75% • For non-preferred brand-name drugs, the plan pays 65% • For specialty drugs, the plan pays 75% (maximum amount you pay is \$400 per prescription, after the deductible) 		
Annual In-network Out-of-pocket Maximums The out-of-pocket maximum applies to all covered family members combined based on your coverage tier. However, the out-of-pocket maximum for any individual family member is the amount of the "Employee Only" tier. Out-of-network out-of-pocket maximums are double the in-network out-of-pocket maximums, and do not count toward each other.			
Employee Only	\$2,000	\$4,000	\$6,500
Employee + Spouse	\$3,000	\$6,000	\$9,750
Employee + Child(ren)	\$3,000	\$6,000	\$9,750
Employee + Family	\$4,000	\$8,000	\$13,000

¹Plan 2: Medium Premium/Medium Deductible Plan or Plan 4: Medium Premium/Deductible Utah Extended Network Plan (available in Utah and Idaho).

	PLAN 1: High Premium/Low Deductible Plan	PLAN 2: Medium Premium/Medium Deductible Plan ¹	PLAN 3: Low Premium/High Deductible Plan
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Accounts to Help You Offset Your Deductible or Cover Medical Expenses			
FSA-eligible	Yes	Yes	Yes
HSA-eligible	No	Yes	Yes
Employee Bi-weekly Premium² (Assumes a base salary of \$100,000 or less³)			
Employee Only	\$118.15	\$42.00	\$18.00
Employee + Spouse	\$251.08	\$123.23	\$49.38
Employee + Child(ren)	\$214.15	\$103.38	\$42.00
Employee + Family	\$332.31	\$150.00	\$64.15

Paying for Care

Understanding how you pay for care allows you to make the best decision for you and your family, based on your unique situation. The following generally describes how the Anthem medical plans work.

STEP 1: Deductible	<p>A deductible is the amount you pay each plan year for covered health care expenses before your plan begins to share in the cost of care. Did you know:</p> <ul style="list-style-type: none"> The plan pays 100% for certain in-network preventive care, even if you haven't met the annual deductible You can save money when you use in-network providers and pharmacies. Out-of-network expenses can be significantly more expensive than in-network expenses; plus, out-of-network expenses have a separate deductible that is twice the amount of the in-network deductible and will cost you more money You can use dollars from your account (HSA or FSA) to help pay for eligible expenses that will be applied toward your deductible If you enroll a dependent in the plan, the entire deductible for your coverage tier (e.g., Employee + Spouse, Employee + Child(ren) or Employee + Family) must be paid before the plan begins to pay for your and your family's eligible expenses; the deductible can be met by any combination of family members covered under the plan
STEP 2: Coinsurance	<p>After you have paid the annual deductible, the plan shares a percentage of the cost with you. The plan pays 80% or 70% for expenses incurred from in-network providers (depending on the plan you elect); 50% of the maximum allowed amount for expenses incurred from out-of-network providers.</p>
STEP 3: Out-of-pocket Maximum	<p>This is an annual cap on your out-of-pocket spending toward covered services under the plan you choose; it does not include your premium contributions. Once you reach this maximum, the plan pays the full cost of your eligible medical services (up to the maximum allowed amount) until the end of the plan year. There is an out-of-pocket maximum that applies to all covered family members combined based on your coverage tier. However, the out-of-pocket maximum for any individual family member is the amount of the "Employee Only" tier. This means if an individual within the family reaches the "Employee Only" maximum, the plan will pay 100% of the eligible expenses for that individual.</p> <p>You can save money when you use in-network providers and pharmacies. Out-of-network expenses have a separate out-of-pocket maximum that is twice the amount of the in-network out-of-pocket maximum and will cost you more money.</p>

¹Plan 2: Medium Premium/Medium Deductible Plan or Plan 4: Medium Premium/Deductible Utah Extended Network Plan (available in Utah and Idaho).

²Premiums apply to non-represented employees. If you're a represented employee, your employee premiums are available at NetBenefits.

³These are bi-weekly contribution amounts for active, non-represented employees with a base salary of \$100,000 or less. If your annual base salary is \$100,000 or more, you will pay the fixed contribution amount plus a percentage of your salary over \$100,000, up to a maximum amount. Log on to NetBenefits to view all of your plan options and costs.

Save Money with Health Care Accounts

HSAs. Health Care FSAs. The acronyms may sound complicated, but these health care accounts are important tools that let you use pre-tax dollars to help pay for your health care costs. There is also an FSA for dependent day care expenses.

Which health care account you use depends on a number of factors, including your medical plan choice. Each account has its own unique features and advantages:

The **HSA**¹ is an ideal tax-saving opportunity to put money aside for eligible expenses now or later, and it lets you build savings that you can take with you when you retire or if you leave the company:

- You keep this money for the rest of your life to pay for eligible medical expenses incurred while you have the account
- Unlike an FSA, you can invest your HSA contributions in mutual funds or other investment vehicles, and let your investments build for use during retirement; any investment gains are federally tax free when used for qualified medical expenses

If you are not enrolled in a high deductible health plan, as defined by the IRS, or are otherwise ineligible to contribute to an HSA, the **general purpose health care FSA** might be a good option if you anticipate high health care expenses in the following year. Your entire election is immediately available for reimbursement on day one of the plan year. If you are contributing to an HSA and like the advantages of an FSA, you could contribute to a **limited purpose FSA**, which reimburses only for eligible dental and vision expenses.

The chart below provides a comparison of the accounts. See IRS Publication 969 for details about eligible expenses and additional information.

Important: If you want to contribute to an **FSA** in 2021, you must make the election during Annual Enrollment. If you want to contribute to an **HSA** in 2021, you do not have to make the election during Annual Enrollment — however, your election will be defaulted to “zero” as of Jan. 1, 2021. HSA elections can be made at any time during the year.

If you are on a leave of absence, special rules may apply to making FSA or HSA elections for 2021. Please contact the Northrop Grumman Benefits Center at **800-894-4194** for information.

FSAs and HSAs: What’s the Difference?

	General Purpose Health Care FSA	Limited Purpose Health Care FSA	Dependent Day Care FSA	HSA
Who’s eligible	All benefits-eligible employees except those who establish/are contributing to an HSA	All benefits-eligible employees; however, generally only those contributing to an HSA would elect the limited purpose health care FSA, which reimburses only for eligible dental and vision expenses. A limited purpose health care FSA cannot reimburse for medical expenses.	All benefits-eligible employees	Participants in these plans: <ul style="list-style-type: none"> • Plan 2: Medium Premium/Medium Deductible Plan • Plan 3: Low Premium/High Deductible Plan • Plan 4: Medium Premium/Deductible Utah Extended Network Plan • Kaiser HDHP

¹Available to Plan 2: Medium Premium/Medium Deductible Plan, Plan 3: Low Premium/High Deductible Plan, Plan 4: Medium Premium/Deductible Utah Extended Network Plan (available in Utah and Idaho) and Kaiser HDHP participants.

	General Purpose Health Care FSA	Limited Purpose Health Care FSA	Dependent Day Care FSA	HSA
Northrop Grumman contributes	No	No	No	Yes (Well-being Incentive)
You can change your contributions at any time	No	No	No	Yes
You can use money for eligible health care expenses (pre-tax)				
• Medical and prescriptions	Yes	No	No	Yes
• Dental	Yes	Yes	No	Yes
• Vision	Yes	Yes	No	Yes
2021 contribution limit	\$2,750	\$2,750	\$5,000, or \$3,500 if you earn more than \$125,000/year	<ul style="list-style-type: none"> • \$3,600 employee only coverage • \$7,200 family coverage • PLUS additional \$1,000 if you are age 55 or older by the end of 2021
Availability of money	Your full annual contribution amount is immediately available for use as of <i>Jan. 1, 2021</i>	Your full annual contribution amount is immediately available for use as of <i>Jan. 1, 2021</i>	Reimbursement amount of eligible expenses cannot exceed the balance in your account	Reimbursement amount of eligible expenses cannot exceed the balance in your account
You can use money for other expenses	No	No	Yes, for your dependent day care expenses	Yes (a tax penalty will apply)
You can roll over unused funds year to year	Yes (up to \$500)	Yes (up to \$500)	No	Yes
You can take your account with you if you leave Northrop Grumman or retire (portability)	No	No	No	Yes

HSA and FSA: Can I Have Both?

IRS rules don't allow you to contribute to both an HSA and a general-purpose Health Care FSA. Northrop Grumman offers HSA participants a *limited purpose* Health Care FSA, which has the same features as the general-purpose Health Care FSA but may be used for dental and vision expenses only.

Important Information about HSAs:

- You must also not be enrolled in other "disqualifying" coverage, such as coverage under a spouse's general-purpose FSA. Consult IRS Publication 969 for details; Northrop Grumman does not monitor whether you have disqualifying coverage through another source
- Your actual HSA contribution limit is based on the number of months during the year in which you are enrolled in qualifying coverage and your tier of coverage (e.g., Employee Only, Employee + Family) during each month; you are responsible for determining your HSA contribution limit; please consult IRS Publication 969 for details

Northrop Grumman will contribute to your HSA if you complete the Well-being Incentive. However, you must open your HSA through Fidelity Investments® in order to receive Northrop Grumman's contribution. When you make your HSA election amount, keep in mind Northrop Grumman's contribution counts toward the IRS limit.

Because the HSA is yours, whatever you don't use, you keep — even after you leave or retire from Northrop Grumman. Your HSA is not part of the Northrop Grumman Health Plan.

Your Dental Options

There are no changes to the dental plan options in 2021. You can choose among a variety of dental plan options administered by Delta Dental:

- Platinum Dental Plan
- Dental Care Plus Plan
- Dental Care Plan
- Preventive Care Plan

All the dental plans pay 100% for eligible preventive dental services, including two routine cleanings and exams, with no deductible requirement.

Depending on where you live, you might have additional options:

- Cigna Dental Care Access, a dental health maintenance organization (formerly Cigna DHMO)
- If you work outside the U.S., the Cigna Global Dental Plan is available to you; you'll see the dental plan options available to you on *NetBenefits* when you enroll

Which Dental Plan Provides the Right Care and Features for You?

Consider your needs and preferences for receiving care to help you decide which dental plan is right for you. The chart below shows how certain benefits and plan features differ among the dental plan options. Which plans deliver on what's important to you?

Your Dental Plan Options at a Glance

To help you consider and compare your potential out-of-pocket costs, below is a comparison of the key features of the Delta Dental plan options.

	Platinum Dental Plan	Dental Care Plus Plan	Dental Care Plan	Preventive Care Plan
All plans provide 100% coverage for nationally recommended preventive care services with no deductible requirement.				
Deductible for the 2021 Plan Year Deductible amounts accumulate separately for each network. For example, amounts applied to the Preferred Network deductible do not also apply to the Premier Network deductible (and vice versa).				
Employee Only	N/A	<ul style="list-style-type: none"> • \$100 PPO Network • \$150 Premier Network • \$200 Out-of-network 	<ul style="list-style-type: none"> • \$100 PPO Network • \$150 Premier Network • \$200 Out-of-network 	\$0 (In- and Out-of-network)
Employee + Family	N/A	<ul style="list-style-type: none"> • \$200 PPO Network • \$300 Premier Network • \$400 Out-of-network 	<ul style="list-style-type: none"> • \$200 PPO Network • \$300 Premier Network • \$400 Out-of-network 	\$0 (In- and Out-of-network)

	Platinum Dental Plan	Dental Care Plus Plan	Dental Care Plan	Preventive Care Plan
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Benefit Maximum (the most the plan pays per member) for the **2021** Plan Year

	\$4,000 (In- and Out-of-network)	<ul style="list-style-type: none"> • \$2,500 PPO Network • \$2,000 Premier Network • \$1,500 Out-of-network 	<ul style="list-style-type: none"> • \$1,500 PPO Network • \$1,250 Premier Network • \$1,000 Out-of-network 	\$500 (In- and Out-of-network)
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What the Plan Pays
The coinsurance depends on the network in which your dentist participates. You have a choice each time you receive dental care. Select an in-network dentist on the Delta Dental website at deltadentalins.com to receive the maximum value from your dental plan.

Basic Restorative	<ul style="list-style-type: none"> • 90% Preferred Network • 80% Premier Network • 70% Out-of-network 	<ul style="list-style-type: none"> • 80% PPO Network • 70% Premier Network • 50% Out-of-network 	<ul style="list-style-type: none"> • 80% PPO Network • 70% Premier Network • 50% Out-of-network 	Not covered
Major Restorative	<ul style="list-style-type: none"> • 90% Preferred Network • 80% Premier Network • 70% Out-of-network 	50%	50%	Not covered

Orthodontia Lifetime Maximum (per member)
There is one lifetime maximum, even if you change to another dental plan option — your lifetime maximum does not reset if you change dental plans.

	\$6,000	<ul style="list-style-type: none"> • \$3,000 PPO Network • \$2,000 Premier Network • \$1,500 Out-of-network 	Not covered	Not covered
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Employee Bi-weekly Premium¹				
Employee Only	\$62.31	\$9.23	\$5.54	\$1.85
Employee + Spouse	\$120.46	\$20.31	\$12.46	\$5.54
Employee + Child(ren)	\$125.54	\$19.85	\$12.46	\$5.54
Employee + Family	\$188.77	\$30.46	\$19.38	\$7.85

The Cigna Dental Care Access Plan is also available in some locations. This plan works like a dental health maintenance organization (DHMO):

- You must select a Cigna primary care dentist
- The plan does not pay for services if you access care from anyone other than your primary care dentist without a referral
- You make a copay and the plan pays the remainder
- The plan includes orthodontia

¹Premiums apply to non-represented employees. If you're a represented employee, your employee premiums are available at NetBenefits.

Your Vision Options

There are no changes to the vision plan options for 2021. You can choose between two options, administered by VSP:

- Vision Care Plus Plan
- Vision Care Plan

How much you will pay when you receive vision care services:

- Eye exams. Both vision plans provide the same coverage for eye exams. You and each covered family member can receive one eye exam each year for a \$10 copay per exam.
- Eyeglasses and/or contact lenses. Both vision plans provide coverage for eyeglasses and contact lenses. The Vision Care Plus plan covers eyeglass frames every year (instead of every other year) and has a higher allowance for eyeglass frames and contact lenses.

Your Vision Plan Options at a Glance

To help you consider your potential out-of-pocket costs, below is a snapshot of the key features of the vision plan options¹.

	Vision Care Plus Plan	Vision Care Plan
Exams	Covered once every year • \$10 copay	Covered once every year • \$10 copay
Eyeglass Lenses	Covered once every year • Standard progressive lenses: \$55 copay • Scratch resistant coating covered in full	Covered once every year • Standard progressive lenses: \$30 copay • Scratch resistant coating not covered
Eyeglass Frames	Covered once every year • Plan pays up to \$200	Covered once every 2 years • Plan pays up to \$150
Contact Lenses	Covered once every year (instead of eyeglasses) • Plan pays up to \$200	Covered once every year (instead of eyeglasses) • Plan pays up to \$130
VSP Easy Options	Choose ONE of these enhancements when purchasing your eyewear: • Additional \$50 frame allowance • Additional \$50 contact lens allowance • Fully covered progressive lenses • Fully covered anti-reflective coatings • Fully covered photochromic adaptive lenses	N/A
Employee Bi-weekly Premium²		
Employee Only	\$7.31	\$4.43
Employee + Spouse	\$12.31	\$7.38
Employee + Child(ren)	\$12.33	\$7.34
Employee + Family	\$20.12	\$12.00

¹This chart provides information about your costs and coverage when you choose to use VSP providers. To learn about your costs and coverage for non-VSP providers, please refer to the Northrop Grumman Health Plan Summary Plan Description (SPD), located in the Reference Library on NetBenefits.

²Premiums apply to non-represented employees. If you're a represented employee, your employee premiums are available at NetBenefits.

Explore More Options for You

Life and Accident Insurance¹

As a Northrop Grumman employee, you receive company-paid life and accidental death & dismemberment (AD&D) insurance equal to one times your annual base pay or \$50,000, whichever is greater.

You can also purchase the following additional coverage:

- Optional life insurance for yourself up to 8 times your annual base pay, subject to an overall maximum benefit of \$2 million²
- Optional spouse and child life insurance²
- Optional AD&D insurance for yourself and your family

Business Travel Accident Insurance

You're automatically enrolled in this company-paid benefit, which provides coverage if you are seriously injured in an accident while traveling on approved company business or you die.

Short- and Long-term Disability¹

Basic short- and long-term disability coverage will continue to be provided to you at no cost, depending on your business unit.

- **Short-term disability (STD) insurance:** 100% of base earnings for the first six weeks of a disability; 60% of base earnings for up to 20 weeks (\$4,000/week maximum). Depending on the disability, there may be a seven-day elimination period before the STD benefit is paid.
- **Long-term disability (LTD) insurance:** 50% of your monthly base salary.

You can also purchase an additional 10% of optional long-term disability insurance, which gives you coverage up to 60% of your monthly base salary (\$15,000/month maximum for basic and optional long-term disability insurance combined).

Details about the plans are available in the Northrop Grumman Health Plan Summary Plan Description (SPD), available in the Reference Library at [NetBenefits](#).

¹Represented employees should refer to their Collective Bargaining Agreement for eligibility information. Employees in certain SBUs may have a different benefit.

²Evidence of Insurability (EOI) will be required for optional life insurance for yourself and/or your spouse or domestic partner. EOI is not required for child life insurance.

Cigna Secure Travel[®]

Cigna Secure Travel is available to employees eligible for AD&D and/or Business Travel Accident coverage. Services provided include emergency medical evacuation assistance and travel services when you travel 100 miles or more away from home for business.

Group Legal Plan

The MetLife Legal Plans provide you and your eligible dependents access to legal assistance. MetLife Legal Plans' enhanced website also gives you the option to complete estate planning documents online in as little as 15 minutes. Choose between two benefit levels: Basic or Advantage. You may only make changes to your group legal election during the Annual Enrollment period.

NGCare

NGCare provides solutions for life, including confidential coaching and counseling for employees, family and household members. You can speak to or meet with a licensed counselor and get information and referrals for confidential support at no cost to you. Visit the *Total Rewards Gateway* at totalrewards.northropgrumman.com for more information.



Participant Advocacy Services

Health care can be complex. With Fidelity's Participant Advocacy Program, you have an advocate to help navigate you through the complexity.

No matter which health plan you're enrolled in, Participant Advocacy Case Managers can help you...

- Understand your benefits
- Research health conditions and the benefits that are available
- Figure out how your claims were paid and what you owe
- Resolve benefit claim issues or disputes

Access the Participant Advocacy Program by calling the Northrop Grumman Benefits Center at **800-894-4194** and asking to be transferred to a Participant Advocacy Case Manager. This service is available Monday through Friday, 8:30 a.m. to 5 p.m., Eastern time (except for most New York Stock Exchange holidays).

Health Resource Center at *Total Rewards Gateway*

Whether you're celebrating a new addition to your family, or you've gotten a new diagnosis, such as diabetes or cancer, visit the *Total Rewards Gateway* resource center for details about how the Northrop Grumman plans can help you.

Confirmation Statements Available Online

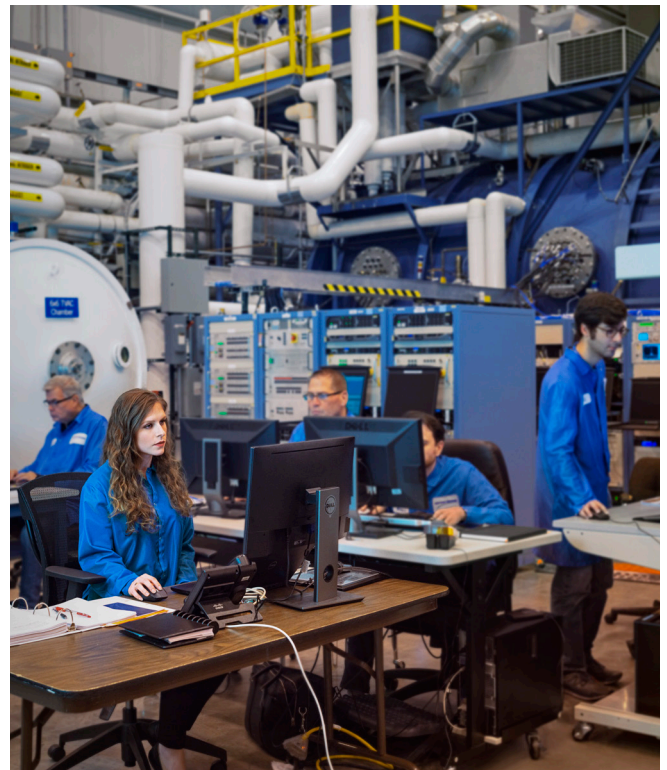
Review your confirmation statement online. You will receive instructions on how to access your confirmation statement on *NetBenefits* when it's available. If you need a printed copy, please call the Northrop Grumman Benefits Center at **800-894-4194**.



Who Is Your Beneficiary?

Now's a great time to review your current beneficiary(ies) on file. Life's circumstances change and you need to ensure that your assets are distributed according to your wishes. It only takes a few minutes to review this information and make any changes.

Log in to *NetBenefits* at **netbenefits.com/northropgrumman**. Choose beneficiaries from the Main menu. Make changes, if you need to, by following the prompts.



Review Your Total Rewards Statement

View your personalized Total Rewards Statement to learn more about the benefits and opportunities available to you and your family. Your compensation and benefits package includes much more than your annual salary or hourly wage. The company's cost of providing these benefits and services for each Northrop Grumman employee is an additional investment in you. And we want you to understand and use the benefits, tools and resources that are provided to help you to develop and grow in the company while balancing the demands of your personal life.

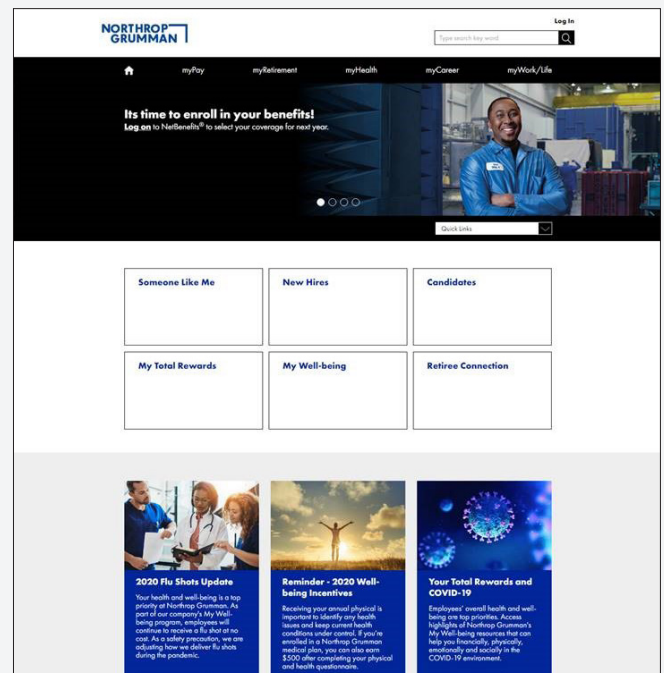


View your Total Rewards Statement on the *Total Rewards Gateway* at totalrewards.northropgrumman.com, or at *NetBenefits*.

Use the New *Total Rewards Gateway*

The new **Total Rewards Gateway** is your convenient, one-stop-shop for Total Rewards information. This enhanced site combines **Benefits & You OnLine** and **My Total Rewards** into one site. On the Gateway, you'll be able to:

- **Learn** about your benefits and the Total Rewards programs we offer
- **Access** your *My Well-being* programs
- **Find** resources that can help you through major life events
- **Log in** to access your Total Rewards information



Beginning in mid-October, you'll be able to visit the **Total Rewards Gateway** at totalrewards.northropgrumman.com to access your benefits information, view your personalized Total Rewards, and access *NetBenefits* to complete your enrollment.

Helpful Terms

	Definition	Example	How It Works at Northrop Grumman
Coinsurance	The percentage of the total cost you pay for health care services after you've paid the annual deductible	<ul style="list-style-type: none"> Diagnostic test: \$200 In-network coinsurance: 20% What you pay <i>after</i> the deductible has been met: \$40 ($\\$200 \times .20 = \\$40$) 	Once you meet the plan's annual deductible, you pay 20% or 30% (depending on the plan you choose) for in-network services, and 50% for out-of-network services.
Copay	A defined amount of money you pay for health care services	The medical plan you have chosen includes a \$20 copay for a primary care physician office visit. You will pay \$20 for the office visit — even if the total bill for the visit is higher.	The Northrop Grumman-sponsored health maintenance organizations (HMOs) feature a copay for health care services. There are no copays in the Anthem medical plan options.
Deductible	The amount you pay for covered health care expenses before your health plan begins to share in the cost of care with you.	A diagnostic test for yourself costs \$200 and your plan has a \$1,700 annual deductible. If you have not yet paid the annual deductible, you will pay \$200 for that in-network service.	If you enroll a dependent, the entire deductible for your coverage tier (e.g., "Employee + Spouse," "Employee + Child(ren)" or "Employee + Family") must be satisfied before the plan begins to pay for your and your family's eligible expenses. The deductible can be met by any combination of family members covered under the plan.
Disqualifying Coverage	Other health insurance coverage that disqualifies you from being eligible to establish or contribute to an HSA.	You are enrolled in Northrop Grumman's Plan 2: Medium Premium/Medium Deductible Plan, which is an HSA-compatible plan. However, your spouse has a general purpose FSA through his employer, which would cover your medical expenses. Your spouse's general purpose FSA is disqualifying coverage that prevents you from establishing or contributing to an HSA.	
General Purpose Health Care Flexible Spending Account (FSA)	You may elect to contribute pre-tax payroll deductions to a health care FSA, which can be used to pay for eligible out-of-pocket medical, dental and vision expenses.	During Annual Enrollment, you can elect to contribute the following plan year to a general purpose health care FSA. Typically, employees elect a general purpose health care FSA if they are NOT contributing to an HSA. The maximum contribution amount varies each year and is announced during the Annual Enrollment window.	
Health Savings Account (HSA)	If you are enrolled in an HDHP and have no other disqualifying coverage, you can contribute to an HSA on a before-tax basis. The HSA is your account.	You enroll in Plan 2: Medium Premium/Medium Deductible Plan and elect to make the maximum annual contribution to an HSA in 2021 . Your health care expenses are low in 2021 and you do not request a distribution from your HSA to cover those expenses. The full balance carries over from year to year and is yours to take when you leave Northrop Grumman or retire.	
High Deductible Health Plan (HDHP)	A plan must meet certain IRS requirements regarding deductibles and out-of-pocket maximums to qualify as an HDHP that is compatible with establishing and contributing to an HSA.	For 2021 , the IRS requires an HDHP to have a deductible of at least \$1,400 for an individual or \$2,800 for a family. In addition, an HDHP's total yearly in-network out-of-pocket expenses (including deductibles, copays and coinsurance) can't be more than \$7,000 for an individual or \$14,000 for a family.	Northrop Grumman offers four HDHPs: <ul style="list-style-type: none"> Plan 2: Medium Premium/Medium Deductible Plan Plan 3: Low Premium/High Deductible Plan Plan 4: Medium Premium/Deductible Utah Extended Network Plan High Deductible Kaiser Mid-Atlantic

Helpful Terms (continued)

	Definition	Example	How It Works at Northrop Grumman
Limited Purpose Health Care Flexible Spending Account (FSA)	If you are an HSA participant, a limited purpose FSA provides you an opportunity to contribute pre-tax payroll deductions to pay for out-of-pocket vision and dental services.	During Annual Enrollment, you can elect to contribute the following plan year to a limited purpose health care FSA. Typically, employees elect a limited purpose health care FSA if they are also contributing to an HSA. The maximum contribution amount varies each year and is announced during the Annual Enrollment window.	
Out-of-pocket Maximum	This is an annual maximum on your out-of-pocket spending toward covered services under the plan you choose. It does not include your premium contributions. Once you reach this maximum, the plan pays the full cost of your eligible medical services (up to the maximum allowed amount) until the end of the plan year.	You are enrolled in Plan 2: Medium Premium/Medium Deductible Plan for "Employee Only" coverage with an in-network \$4,000 annual out-of-pocket maximum. In September 2021 , you have incurred \$4,000 of in-network expenses. All eligible expenses incurred after that time will be fully covered (up to the in-network maximum allowable amount) by the plan.	There is an out-of-pocket maximum that applies to all covered family members combined based on your coverage tier (e.g. "Employee Only," or "Employee + Spouse"). However, the out-of-pocket maximum for any individual family member is the amount of the "Employee Only" tier.

2019 Summary Annual Report

The Summary Annual Report for the Northrop Grumman Health Plan will be available in the *NetBenefits* Reference Library when Annual Enrollment begins. The Summary Annual Report is an important federally required notice. No action is required on your part. A Summary Annual Report provides the financial status of the plan. This information includes assets, administrative expenses, gains or losses, and changes that have occurred in the plan for the previous year. Every year, Northrop Grumman distributes Summary Annual Reports as required by the Employee Retirement Income Security Act of 1974 (ERISA). If you want a printed copy of the Summary Annual Report, please call the NGBC at **800-894-4194**.

Benefits plans for represented and SCA employees will be administered per their contracts. This guide contains information for participants in the Northrop Grumman Health Plan and does not apply to represented employees at Baltimore or Sunnyvale. This guide and the content on the *Total Rewards Gateway* and *Fidelity NetBenefits* websites provide a summary of important information about your participation in the Northrop Grumman Health Plan. This guide is not a Summary Plan Description but is a Summary of Material Modifications. 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 on the websites and the provisions of the plan documents (including this guide), the plan documents will govern. Northrop Grumman reserves the right in its sole discretion to terminate, suspend, withdraw, amend or modify the plans at any time and for any reason.

Investing involves risk, including risk of loss.

Northrop Grumman, Fidelity Investments, and any third parties mentioned herein are all independent entities of one another and are not legally affiliated.

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