

# **Part A Supplement to the Northrop Grumman Pension Program Summary Plan Description**

*Northrop Grumman Norden Systems Represented Employee Retirement Plan*

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March 2008

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## Introduction

On January 1, 2004, the Northrop Grumman Norden Systems Represented Employee Retirement Plan (the "Plan") was amended to include a cash balance feature. Benefit service accrued under the Plan through December 31, 2003, provides the basis for a participant's "Part A" benefit. Participants who were hired on or after January 1, 2004, are not eligible for a Part A benefit.\*

This supplement to the Northrop Grumman Pension Program (the "Pension Program") Summary Plan Description (SPD) describes the Part A benefit, including certain aspects of the benefit that changed as of January 1, 2004. This supplement, combined with the Pension Program SPD, serves as the SPD for the Plan.

For additional information on participation and eligibility, please see the Pension Program SPD, available on *Benefits OnLine* at <http://benefits.northropgrumman.com> or by calling the Northrop Grumman Benefits Center (NGBC). If you have questions about eligibility or anything else not answered in this supplement or in the Pension Program SPD, call the NGBC at 1-800-894-4194. If you are calling from outside the United States, please call 718-354-1338. Benefits service representatives are available to assist you Monday through Friday from 9:00 a.m. to 6:00 p.m. Eastern time, excluding holidays. If you are hearing impaired, you will need to use a relay service through your TTY/TDD service provider.

*\* If you were rehired by Northrop Grumman, special provisions may apply. Contact the NGBC for details.*

*Northrop Grumman reserves the right to suspend and/or reduce benefit accruals under the Northrop Grumman Norden Systems Represented Employee Retirement Plan. It also may amend or terminate the Plan at any time. You will be notified of any significant amendments to the Plan.*

*This guide is a summary of the main features of the Plan's Part A benefit. It presents a summary only and does not contain all the details of all aspects of the Plan. It is not an official plan document, and neither the plan documents nor this guide constitute an implied or expressed contract of employment.*

*The actual terms of the Plan are contained in the plan document, which is available from the NGBC.*

*The official plan text and trust agreement govern the operation of the Plan and payment of all benefits. In the event of any ambiguity in or omission from this guide, or any conflict between this guide and the official plan text and trust agreement, the official plan text and trust agreement govern.*

*Northrop Grumman (also referred to as the "Company" in this guide) refers to Northrop Grumman Corporation and its 80%-owned subsidiaries and affiliates.*

## Your Benefit at Retirement

The Plan was amended to incorporate a cash balance feature on January 1, 2004. Along with other plans that adopted the cash balance feature, the Plan is part of the Pension Program.

- If your employment ended prior to January 1, 2004, you are eligible only for the Part A benefit, as described in this SPD supplement.
- If you were actively employed and participating in the Plan at the time of the cash balance transition (January 1, 2004), your pension benefit may include the components shown below, depending on your termination date. This SPD supplement describes the Part A benefit only. For information about Parts B, C, and D, please refer to the Pension Program SPD.

		<b>Part B</b> <b>(5-Year Transition Benefit)</b> Your benefit based on a formula similar to the one under your historical plan formula from January 1, 2004 through December 31, 2008			
<b>Part A</b> Your benefit under your historical plan formula through December 31, 2003	+	<i>or</i> <b>(whichever is greater)</b>	+	<b>Part D</b> Your benefit under the cash balance formula beginning January 1, 2009	=
		<b>Part C</b> <b>(5-Year Transition Benefit)</b> Your benefit under the cash balance formula from January 1, 2004 through December 31, 2008			<b>Your Pension Benefit</b>

- If your employment began on or after January 1, 2004, you are eligible only for a Part D cash balance benefit effective from your plan entry date. For details about that benefit, please refer to the Pension Program SPD. This SPD supplement does not apply to you.

## Overview

### Eligibility

You are eligible to participate in the Plan if you are on the payroll as a common law employee of Northrop Grumman Norden Systems, and you are represented by a union that provides for participation in the Plan.

The following types of employees are not eligible to participate in the Plan:

- Employees covered by a collective bargaining agreement that does not provide for participation
- Leased employees
- Nonresident aliens (non-U.S. citizens who reside abroad)
- Employees on international payrolls
- Individuals not treated as common law employees on payroll records.

If you have a question about your eligibility, call the NGBC at 1-800-894-4194.

### Participation

If you are an eligible employee, you automatically become a participant in the Plan on the earlier of:

- January 1 on or after your 21<sup>st</sup> birthday
- July 1 after you reach age 20<sup>1/2</sup> and have six months of eligibility service.

If you were employed on May 31 1994, and you participated in the United Technologies Corporation Represented Employee Retirement Plan, you automatically became a Plan participant on June 1, 1994.

## Important Pension Concepts

The following basic pension plan concepts are necessary to understand the Plan's Part A benefit. For information about other benefit components for which you may be eligible, please refer to the Pension Program SPD.

### Eligibility Service

Eligibility Service is used to determine whether you are eligible to accrue a benefit under the Plan. You complete one year of Eligibility Service when you are credited with 1,000 hours in a 12-consecutive month period, measured from your date of hire and each anniversary thereof.

### Vesting and Vesting Service

Vesting means you have earned a non-forfeitable right to your Plan benefit. Vesting service is used to determine if you have a right to a vested or deferred vested benefit (see "Deferred Vested Benefits").

**For service through December 31, 2003:** Generally, your vesting service is counted from your date of hire through your severance date (see "Severance Date" for definition), and includes employment with any member of the Company, subject to legal limitations. Vesting service also includes your vesting service under the United Technologies Corporation Represented Employee Retirement Plan and service as a leased employee before or after you worked as an employee of the Company. If you need help determining if your business unit is part of the Company, call the NGBC.

**For service on or after January 1, 2004\*:** You earn a year of vesting service for each calendar year in which you complete 1,000 or more hours for which you are paid (or are entitled to be paid) by Northrop Grumman. If you do not have 1,000 or more hours in any calendar year, you do not earn a year of vesting service for that year. However, you may earn vesting service if you are not actively at work but are on:

- An approved medical leave of absence (for up to two years)
- A qualifying military leave of absence (if you return to active employment in a timely manner following an honorable discharge)
- An unpaid leave of absence (you receive credit during the first 12 months of your leave, but only to the extent necessary to prevent a break in service)
- A parental absence (during either the year of the leave or the year following the leave, as needed, but only to the extent necessary to prevent a break in service).

*\* If you were on a leave of absence on December 31, 2003 and remained on a leave of absence after that date, these provisions apply to you from the date you return to work, subject to transition rules.*

You become vested in your benefit as follows:

- **If you terminate on or after January 1, 2008:** You are vested in your Company-provided benefit after completing three years of vesting service.
- **If you terminate prior to January 1, 2008:** You are vested in your Company-provided benefit after completing five years of vesting service.

### **Transfers Between the Hourly and Salaried Plans**

If you transfer between an hourly (bargained) and salaried (non-bargained) position, your time worked in both positions will count toward your vesting service.

### **Part A Benefit Service**

Benefit service is used to determine the amount of your Part A benefit.

**For service through December 31, 2003\*:** Your benefit service begins to accrue on your date of hire and ends on your severance date. Generally, benefit service is equal to vesting service, but excludes the following:

- Vesting service under the United Technologies Corporation Represented Employee Retirement Plan
- Vesting service for any unpaid leave of absence in excess of one year
- Vesting service credited as a result of parental leave (explained below) — except as provided in the bullet below
- Vesting service for a break in service longer than 30 days, if such break in service commences as a result of you quitting, retiring or being discharged
- Periods of employment during which you are employed by another Company within the Northrop Grumman controlled group
- Periods of employment with Northrop Grumman Norden Systems in a position that does not provide for participation in the Plan
- Periods of employment as a leased employee.

**For service beginning January 1, 2004:** No benefit service is earned for the Part A benefit on or after December 31, 2003\* (with the exception of participants on a leave of absence on January 1, 2004, as indicated in the footnote below).

*\* If you were on a leave of absence on December 31, 2003, this applies for service through the date you return to work or terminate your employment if that date is after January 1, 2004.*

### **Severance Date for Service through December 31, 2003**

Your severance date is the earliest of the:

- Date you quit, retire, are discharged or die
- First anniversary of an absence due to sickness, disability, vacation, leave, layoff, or similar reason
- Second anniversary of an absence due to any other period of leave recognized under the Family Medical Leave Act of 1993
- Second anniversary of an absence due to parental leave which includes the following:
  - Your pregnancy
  - Birth of your child
  - Placement of a child within your home for adoption
  - Caring for a child for a period immediately following birth or placement for adoption.

If you were absent due to a layoff, and you return to work within the 24 calendar months following the date you are laid off, you will earn vesting service for your period of absence.

If you were absent due to an approved leave of absence, and you return to work within the 24 calendar months following the start of your absence, you will earn vesting service (and in some cases benefit service) for your period of absence.

If you were absent due to a qualifying military leave, you will earn vesting and benefit service for your period of absence provided you return to active employment in a timely manner following an honorable discharge.

## **Breaks in Service**

A break in service is a period during which you do not accrue vesting service. A break in service commences on your severance date (see "Severance Date" above), and ends on the day you return to active work and perform an hour of service. If you experience five consecutive break-in-service years before you are vested:

- You forfeit your benefit under the Plan, and
- You are treated as a new hire upon subsequent rehire. You will accrue a new benefit (under the cash balance formula if rehired on or after January 1, 2004), and your prior vesting and benefit service will not be included in your service earned under the new employment period.

If you are on an approved Family and Medical Leave Act (FMLA) Leave of Absence, you **may not** incur a break in service. To keep from incurring a break in service, you can receive credit for up to 501 hours of service. Your hours of service for this purpose are equal to the amount you would have received if you had continued working. If that number cannot be determined, you receive eight hours for each day you are absent, up to a maximum of 501 hours of service, but you do not earn vesting service, benefit service, or early retirement eligibility service during this period. Hours of service for this purpose are usually credited during the calendar year in which your FMLA begins. However, if you do not need the hours of service to prevent a break in service during that year, the hours of service are credited toward the following calendar year.

## **Final Average Earnings**

For pension purposes, your final average earnings (FAE) is the average of your five highest-paid years out of your last ten years of employment with Northrop Grumman. In determining the ten-year period, years with no compensation are taken into account.

## **Pension-Eligible Compensation**

***For FAE earnings prior to January 1, 2004:*** Your FAE includes the total compensation paid to you during the year, including base pay, overtime and shift differentials/premiums received for services rendered in the course of employment with the Company, plus any pre-tax contributions to a Company-sponsored 401(k) or 125 benefit plan.

The following are not included in pension-eligible compensation:

- Awards (except performance awards)
- Foreign service premiums and allowances
- Stock option benefits
- Company contributions to your benefit plans

- Vacation and severance payments made after termination
- Expense reimbursements
- Tax adjustments
- Allowances.

*The above is only a partial listing of pay components that are included in and excluded from pension-eligible compensation. The complete list is contained in the legal plan document.*

**For FAE earnings beginning January 1, 2004**, please see the “Pension-eligible Compensation” section of the Northrop Grumman Pension Program SPD for information.

### **Compensation in Your Year of Termination**

How compensation is determined in your year of termination depends on when your employment ends.

***If your employment ended before January 1, 2004:*** Your compensation in the year in which you terminate from active employment is equal to your actual pension-eligible earnings through your termination date *plus* your hourly rate of pay as of the month prior to your termination through the remainder of the year.

***If your employment ends on or after January 1, 2004:*** Compensation in the year in which you terminate from active employment is equal to your actual pension-eligible earnings paid during the year of your termination plus your base rate of pay converted to a daily rate times the number of days from your termination date to the end of the year. Please see the “Compensation” sub-section under the “Transition Benefits” section of the Pension Program SPD for more information.

In years after your year of termination, compensation is equal to any residual pension-eligible earnings paid after the end of the year in which your employment ended.

### **Non-Duplication of Benefits**

You may participate in (meaning contribute to or accrue a benefit under) only one Northrop Grumman pension plan at any given time. If you are eligible to participate in two plans (for example, as a result of an acquisition), you will be covered by the plan specified by your payroll.

### **Suspension of Benefits Upon Re-employment**

In the event you terminate your employment and commence your benefit under the Plan, then you are reemployed by the Company, payment of your Part A annuity benefit will be suspended if:

- You are rehired as an employee,
- You are paid for any hours of service performed on eight or more days in a calendar month.

If you are rehired *prior* to your normal retirement date (see “Normal Retirement” for details), you can elect (with written consent) to continue payment of your Part A annuity benefit. If you elect this option, you forfeit the right to have your Part A benefit recalculated upon your subsequent retirement. (This option is not available if you are hired on or after your normal

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retirement date.) If you do not make an election to continue your benefit payments, your benefit automatically will be suspended.

You will receive a notice of suspension before any benefit payments are suspended. To continue your benefit payments as described above, you will need to complete the form included with this notice. If you have questions or do not receive the form, contact the NGBC.

If your Part A annuity benefit is suspended, then the benefit determined upon your subsequent retirement will be recalculated using your earnings through your subsequent severance date, and reduced to reflect the actuarial equivalent value of any Part A benefits previously received from this Plan. If you continue receiving your Part A annuity benefit, your Part A benefit after your subsequent severance date will not be recalculated to reflect changes in your earnings and age.

## Applying for Your Benefit

In order to retire (i.e., to have benefit payments begin), you must:

- Terminate from the Company (special rules apply in the case of divestitures)
- Be alive on your retirement date
- Follow the instructions provided in the “Applying for Your Retirement Benefit” section of the Pension Program SPD.

If you have a qualified domestic relations order (QDRO) that awards any part of your pension benefit to a former spouse, such order should be submitted to the NGBC well in advance of your retirement date in order to avoid a delay in processing your retirement. You may obtain a copy of the Plan’s procedures regarding QDROs free of charge by contacting the Domestic Relations Matters Group at 1-888-887-5078.

## Normal Retirement

### Eligibility for Normal Retirement

You are eligible for a normal retirement benefit if your Northrop Grumman employment ends on or after your normal retirement age, or if you terminate prior to normal retirement age with a vested benefit and defer payment until you reach normal retirement age. Your normal retirement date is the first day of the month following your normal retirement age.

### Normal Retirement Age for Your Benefit

Your normal retirement age for your Part A benefit is age 65.

### Part A Benefit Amount for Normal Retirement

The monthly Part A normal retirement benefit amount is based on the following formula:

- Years of benefit service

*multiplied by*

- The Applicable Dollar Amount — which is based on your Final Average Earnings

For terminations on January 1, 2003 or later, the table below includes the Applicable Dollar Amount. For terminations earlier than January 1, 2003, please see the appropriate table in Appendix I of this SPD.

### **Applicable Dollar Amount for Terminations on or after January 1, 2003**

<b>Final Average Salary</b>	<b>Monthly Retirement Benefit per Year of Service</b>
Under \$27,000	\$29.50
\$27,000 to \$27,999.99	\$30.50
\$28,000 to \$28,999.99	\$31.50
\$29,000 to \$29,999.99	\$32.50
\$30,000 to \$30,999.99	\$33.50
\$31,000 to \$31,999.99	\$34.50
\$32,000 to \$32,999.99	\$35.50
\$33,000 to \$36,999.99	\$36.50
\$37,000 to \$40,999.99	\$37.50
\$41,000 to \$43,999.99	\$38.50
\$44,000 to \$46,999.99	\$38.75
\$47,000 to \$49,999.99	\$39.00
\$50,000 to \$52,999.99	\$39.25
\$53,000 to \$55,999.99	\$39.50
\$56,000 to \$59,999.99	\$39.75
\$60,000 and over	\$40.00

### Normal Retirement Benefit Example

See the example that follows. Although this illustration uses full years of age and service, your retirement benefit will be based on your actual years and months of age and service at

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the time of your retirement. This example is based on the “straight life annuity” form of payment.

**Example**

Let’s assume you retire on December 31, 2008 at age 65 with 20 years of benefit service (15 years of benefit service in this Plan as of December 31, 2003 — 9.5833 years of which are counted as benefit service in this Plan). Your final average earnings is \$51,000. Your Part A normal retirement benefit is determined as follows:

- 9.5833 years of benefit service as of December 31, 2003

*multiplied by*

- \$39.25 (dollar amount associated with the final average earnings of \$51,000)

*equals*

- Your monthly Part A normal retirement benefit = \$376.14

## Early Retirement

### Eligibility for Early Retirement

You are eligible for a Part A early retirement benefit if you stop accruing service under the Plan on or after your 55th birthday and you have at least 10 years of vesting service.

Your early retirement date can be the first day of any month following the date you become eligible, subject to the rules described in “Applying for Your Benefit”.

### Benefit Amount for Early Retirement

If you meet the early retirement eligibility requirements described above and elect to begin receiving your benefit on or after age 62, you are eligible to receive an unreduced (normal retirement) benefit.

If you elect to begin receiving your benefit prior to age 62, and have terminated after meeting the early retirement eligibility requirements described above, your early retirement benefit is determined as a normal retirement benefit and then is reduced to a percentage of that amount as shown in the table below.

Your age when payments begin	Percentage of your normal retirement benefit that you receive
62	100%
61	97.6%
60	95.2%
59	92.8%
58	90.4%
57	88.0%
56	85.6%
55	83.2%

*The table is shown in percentages for whole ages. Partial years will be prorated in years and months.*

### Early Retirement Benefit Example

See the example that follows. Although this illustration uses full years of age and service, your retirement benefit will be based on your actual years and months of age and service at the time of your retirement. This example is based on the “straight life annuity” form of payment.

#### Example

Let’s assume you retire on December 31, 2008 at age 60 with 15 years of benefit service (10 years of benefit service in this Plan as of December 31, 2003 — 9.5833 years of which are counted as benefit service in this Plan). Your final average earnings is \$45,000. Your Part A early retirement benefit is determined as follows:

#### 1. Determine your normal retirement benefit

- 9.5833 years of benefit service

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*multiplied by*

- \$38.75 (dollar amount associated with the final average earnings of \$45,000)

*equals*

- Your monthly Part A normal retirement benefit = \$371.35

**2. Calculate your early retirement benefit**

At age 60, you receive 95.2% of your normal retirement benefit:

- $95.2\% \times \$371.35 = \$353.53$

## Deferred Vested Benefits

### Eligibility for Deferred Vested Benefits

You are eligible to receive a deferred vested benefit if you terminate employment with a vested benefit before normal retirement age and do not meet the eligibility requirements for early retirement at that time. You may begin receiving your deferred vested benefit in a reduced amount as early as age 55 (see the table below for reduction amounts).

You must commence our benefit no later than April 1 following the year in which you reach age 70½.

### Benefit Amount for Deferred Vested Benefits

Depending on when you elect to have your benefit payments begin, your benefit will be calculated as follows:

- **Benefit at or after age 65** — If you begin payments at or after age 65, your Part A deferred vested benefit is calculated as a normal retirement benefit.
- **Benefit between ages 55 and 65** — If you elect to begin payments between ages 55 and 65, your Part A deferred vested benefit will be a percentage of the normal retirement benefit based on the table below.

Your age when payments begin	Percentage of your normal retirement benefit that you receive
65	100%
64	95%
63	90%
62	85%
61	80%
60	75%
59	70%
58	65%
57	60%
56	55%
55	50%

*The table is shown in percentages for whole ages. Partial years will be prorated in years and months.*

### Deferred Vested Benefit Examples

See the examples that follow. Although these illustrations use full years of age and service, your retirement benefit will be based on your actual years and months of age and service at the time of your termination. These examples are based on the “straight life annuity” form of payment.

**Example A — Deferred Vested Normal Retirement Benefit**

Let's assume you elect to begin payments at age 65. Also assume your Part A monthly normal retirement benefit is \$500. The Part A deferred vested benefit you receive at age 65 is unreduced, as shown below:

- $\$500 \times 100\%$  (deferred vested reduction) = \$500

**Example B — Deferred Vested Early Retirement Benefit**

Let's assume you elect to begin payments at age 60. Also assume your Part A monthly normal retirement benefit is \$500. The Part A deferred vested benefit is determined as follows:

- $\$500 \times 75\%$  (deferred vested reduction) = \$375 per month

## Disability Retirement Benefits

If you retire due to disability, you are eligible for a disability retirement benefit if you:

- Have at least 10 years of vesting service as of your date of disability
- Have not attained age 65 as of your date of disability
- Are awarded and receiving Social Security disability benefits.

### Benefit Amount

Your monthly disability benefit will be equal to your normal retirement benefit, without a reduction for early retirement.

Call the NGBC if you have questions about the offsets to your Company-provided disability benefit that may result if you commence an early retirement pension benefit.

### Commencement Date

If you meet the eligibility requirements described above, you may begin receiving a disability benefit on the later of:

- The first day of the month following your date of termination
- 52 weeks after the first day of the fifth month (or such other month as may from time to time be applicable under the Social Security Act) prior to the month in which you first receive a Social Security disability benefit.

### Duration of Benefit

Your disability retirement benefit will continue until the first day of the month following the first to occur of:

- The date your Social Security disability benefit stops
- The date on which you begin to receive a pension benefit from the Plan
- Your normal retirement date
- The date of your death.

## If You Die Before Benefit Payments Begin

If you die after your benefit is vested but before your retirement benefit commences, your spouse (or other designated beneficiary provided you have written and notarized consent from your spouse) will be eligible for a pre-retirement death benefit from the Plan. Your eligible spouse is the individual to whom you are legally married at the time of your death.

Your beneficiary's eligibility for the pre-retirement death benefit remains in effect whether or not you leave the Company, but will end on the earliest of:

- Your retirement date
- The date on which you no longer have a legal eligible spouse.

A former spouse can be deemed an eligible spouse for all or part of any pre-retirement spouse benefit from the Plan, if provided under a Qualified Domestic Relations Order (QDRO).

### Naming a Beneficiary

Once you are eligible for early or normal retirement, you can name a beneficiary to receive your pre-retirement death benefit. If you are married and have not designated a beneficiary, your spouse at the time of your death will receive the benefit. Spousal consent is required for any beneficiary designation other than a spouse. If you are single and have not designated a beneficiary, no death benefit will be paid. Please note that your named beneficiary is ignored if you marry a new spouse. In this situation, either a new spousal consent is required or the spousal QPSA rules apply.

### Pre-retirement Part A Death Benefit and Commencement Date

The table below summarizes the pre-retirement death benefit payable from the Plan.

However, if you elect a 66.67%, 75% or 100% joint and survivor annuity form of payment within 90 days before your benefit payments are scheduled to begin, and then you die before your benefit payments begin, your spouse or other designated beneficiary will receive the greater of your elected form of payment and your pre-retirement joint and survivor annuity specified in the table below.

<b>If you die:</b>	<b>And your number of years of vesting service is:</b>	<b>Benefits will be payable to:</b>	<b>The benefit will be equal to:</b>	<b>The earliest commencement date is:</b>
Before you reach age 55	Five, but less than ten	Your spouse	50% Joint and Survivor benefit payable had you terminated employment on the date of your death*	First day of the month following the date you would have reached age 55

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<b>If you die:</b>	<b>And your number of years of vesting service is:</b>	<b>Benefits will be payable to:</b>	<b>The benefit will be equal to:</b>	<b>The earliest commencement date is:</b>
Before you reach age 55	Ten or more	Your spouse	100% Joint and Survivor benefit payable had you terminated employment on the date of your death, or, if earlier, your severance date*	First day of the month following the date you would have reached age 55
Between ages 55 and 65	Five, but less than ten	Your spouse	50% Joint and Survivor benefit payable had you terminated employment on the date of your death, or, if earlier, your severance date*	First day of the month following the date of your death, or any later date
Between ages 55 and 65	Ten or more	Your spouse or designated beneficiary (with written and notarized spousal consent if married)	100% Joint and Survivor benefit payable had you retired on the day before your death**	First day of the month following the date of your death
After age 65	No minimum number of years required	Your spouse or designated beneficiary (with written and notarized spousal consent if married)	100% Joint and Survivor benefit payable had you retired on the day before your death***	First day of the month following the date of your death

\* Benefits are reduced by the survivor annuity option factors and, if paid before the date you would have reached age 65, the Plan's deferred vested reduction factors.

\*\* Benefits are reduced by the survivor annuity option factors and benefits paid before the date you would have reached age 62 are subject to the Plan's early retirement reduction factors.

\*\*\* Benefits are reduced by the survivor annuity option factors.

Your spouse's or designated beneficiary's benefit is payable monthly for the duration of his or her life.

## Payment Options

The Plan provides several optional forms of payment to help meet your retirement needs. Your form of payment election cannot be changed on or after your retirement date.

### Spousal Consent

If you are married when you retire, written and notarized spousal consent is required if you elect any option other than the 50%, 66.67%, or 100% Joint and Survivor option with your spouse designated as the beneficiary.

### Forms of Payment for the Part A Benefit

- ***Straight Life Annuity*** — You receive monthly payments for your lifetime. When you die, the Plan does not pay benefits to anyone else. If you are married when you retire, your spouse must consent in writing to this form of distribution. If you are single when you retire, your benefit normally will be paid as a straight life annuity, unless you elect one of the other forms of payment for which you qualify.
- ***Joint and Survivor Annuity (50%, 66.67%, 75%, or 100%)*** — You receive a monthly benefit for your lifetime. When you die, your spouse or other named beneficiary receives a monthly payment equal to 50%, 66.67%, 75%, or 100% of your monthly benefit (whichever you selected) for the rest of his or her lifetime. The monthly benefit you receive during your lifetime is smaller than the monthly benefit you would receive under the straight life annuity option, because benefits are paid over the joint lifetimes of you and your beneficiary. If your beneficiary dies before you but after your benefit payments are scheduled to begin, the Plan pays benefits for your lifetime only.

If you are married when you retire, your benefit normally will be paid on a 50% joint and survivor basis with your spouse as the designated survivor, unless you elect one of the other forms of payment for which you qualify. If you are married when you retire and choose a form of payment other than a 50%, 66.67%, 75%, or 100% joint and survivor annuity with your spouse as beneficiary, your spouse must provide written, notarized consent.

If your spouse or beneficiary dies before your benefit payments are scheduled to begin, you should notify the NGBC immediately and select a different payment option. After the date your benefit payments are scheduled to begin, they will not be recalculated for a change in marital status.

If you elect a beneficiary other than your spouse, IRS rules may limit the level of the survivor benefit and may prevent the election of a joint annuitant who is significantly younger than you for joint and survivor annuity options other than the 50% option. Please contact the NGBC for more information.

- ***Ten Year Certain and Continuous*** — You receive a monthly benefit for your lifetime. Electing this form of payment means there will be a reduction in the amount of your straight life annuity benefit based on your age at retirement.

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If you die before 120 payments have been made, the remainder of the 120 payments will be paid to your designated beneficiary. If your beneficiary dies after you but before 120 payments have been made, the remainder of the 120 payments will be paid to your beneficiary's estate in a lump sum. If your beneficiary predeceases you before the 120 payments have been made, you may designate another beneficiary provided you obtain your spouse's consent, if applicable. You may designate your estate or a trust as your designated beneficiary for this payment option. If you are married when you retire, your spouse must consent in writing to this form of distribution.

## **Tax Considerations**

For information about tax considerations, including the Internal Revenue Service excess earnings limit, please refer to the “Tax Considerations” section of the Pension Program SPD.

## **General Plan Information**

For additional administrative information about your pension benefit and the Plan, please refer to the “General Plan Information” section of the Pension Program SPD.

## Appendix 1— Hourly Formula Dollar Amount Tables

### Date of Termination During 2002

<b>Final Average Salary</b>	<b>Monthly Retirement Benefit per Year of Service</b>
Under \$27,000	\$29.25
\$27,000 to \$27,999.99	\$30.25
\$28,000 to \$28,999.99	\$31.25
\$29,000 to \$29,999.99	\$32.25
\$30,000 to \$30,999.99	\$33.25
\$31,000 to \$31,999.99	\$34.25
\$32,000 to \$32,999.99	\$35.25
\$33,000 to \$36,999.99	\$36.25
\$37,000 to \$40,999.99	\$37.25
\$41,000 to \$44,999.99	\$38.25
\$45,000 to \$48,999.99	\$38.50
\$49,000 and over	\$39.00

### Date of Termination During 2001

<b>Final Average Salary</b>	<b>Monthly Retirement Benefit per Year of Service</b>
Under \$27,000	\$29.00
\$27,000 to \$27,999.99	\$30.00
\$28,000 to \$28,999.99	\$31.00
\$29,000 to \$29,999.99	\$32.00
\$30,000 to \$30,999.99	\$33.00
\$31,000 to \$31,999.99	\$34.00
\$32,000 to \$32,999.99	\$35.00
\$33,000 to \$36,999.99	\$36.00
\$37,000 to \$40,999.99	\$37.00
\$41,000 and over	\$38.00

### Date of Termination from December 5, 1999 to December 31, 2000

<b>Final Average Salary</b>	<b>Monthly Retirement Benefit per Year of Service</b>
Under \$27,000	\$28.50
\$27,000 to \$27,999.99	\$29.50
\$28,000 to \$28,999.99	\$30.00
\$29,000 to \$29,999.99	\$30.50
\$30,000 to \$30,999.99	\$31.50
\$31,000 to \$31,999.99	\$32.50
\$32,000 to \$32,999.99	\$34.00
\$33,000 to \$36,999.99	\$35.00
\$37,000 to \$40,999.99	\$36.00
\$41,000 and over	\$37.00

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**Date of Termination from December 18, 1997 to December 4, 1999**

<b>Final Average Salary</b>	<b>Monthly Retirement Benefit per Year of Service</b>
Under \$26,000	\$28.00
\$26,000 to \$26,999.99	\$28.50
\$27,000 to \$27,999.99	\$29.00
\$28,000 to \$28,999.99	\$29.50
\$29,000 to \$29,999.99	\$30.00
\$30,000 to \$30,999.99	\$31.00
\$31,000 to \$31,999.99	\$32.00
\$32,000 to \$32,999.99	\$33.00
\$33,000 to \$36,999.99	\$34.00
\$37,000 to \$40,999.99	\$35.00
\$41,000 and over	\$36.00

**Date of Termination from June 1, 1994 to December 17, 1997**

<b>Final Average Salary</b>	<b>Monthly Retirement Benefit per Year of Service</b>
Under \$23,000	\$25.50
\$23,000 to \$23,999.99	\$26.00
\$24,000 to \$24,999.99	\$26.50
\$25,000 to \$25,999.99	\$27.00
\$26,000 to \$26,999.99	\$27.50
\$27,000 to \$27,999.99	\$28.00
\$28,000 to \$28,999.99	\$28.50
\$29,000 to \$29,999.99	\$29.00
\$30,000 to \$30,999.99	\$30.00
\$31,000 to \$31,999.99	\$31.00
\$32,000 to \$32,999.99	\$32.00
\$33,000 and over	\$33.00