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myRetirement

Northrop Grumman provides retirement benefits to help employees save, invest and plan for the future. No matter what your financial goals are, Northrop Grumman's retirement programs can help you get there.



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Pension Program

The Pension Program at Northrop Grumman is just one component of an employee's overall retirement savings. Under this program, eligible employees earn credit toward a pension benefit that is payable after they leave Northrop Grumman and once they reach eligible retirement age. The type of credit an employee receives is based on the specific pension plan in which they participate.

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Overview

Generally, if an employee was hired on or after July 1, 2008, they are not eligible to participate in the Northrop Grumman Pension Program. Instead, they may be eligible to receive an additional company contribution in the Northrop Grumman Savings Plan.

Highlights of the Northrop Grumman Pension Program

- Available to employees hired prior to July 1, 2008 and eligible to participate in the Northrop Grumman Pension Program
- Offers a highly stable component to the overall Northrop Grumman employee retirement investment portfolio
- Provides guaranteed, risk-free investment returns - regardless of actual performance
- The value of the account can never decrease
- Northrop Grumman pays the full cost of the benefit

To see the current value of your total pension benefit, please visit [NetBenefits](#).

Summary Plan Descriptions

Summary Plan Descriptions (SPDs) for the Northrop Grumman pension plans are available on [NetBenefits](#).



Ready to Retire

Selecting the right time to retire is an important decision. You should carefully consider several factors, including pay, service, and age — and how they affect the pension benefit. You must also allow plenty of time to obtain your pension estimate and process your retirement.

Applying for Your Northrop Grumman Retirement Benefit

Once you decide on your retirement date, you should call the Northrop Grumman Benefits Center (NGBC) at least 30 days (but no more than 90 days) before your retirement date to provide notice of your intent to retire and request your retirement kit. If you are eligible for a pension benefit, your pension kit will include an estimate of your pension benefits. Information about retiree medical coverage, if applicable, will be sent separately.

You should be sure to check your forms to ensure that all the necessary information has been completed, and return the forms by the date indicated in your kit. If you're not sure about how to complete any of the required paperwork, you should call the NGBC and speak with a benefits service representative. In addition to calling the NGBC, you must follow your business unit's retirement process, which may require you to notify your manager and/or local human resources representative.

Key Pension Terms

Term	Definition
Credited service	The service that you accumulate while working at Northrop Grumman, which is used as a factor in determining the amount of your pay-based credit. After your Program effective date, you accrue one month of credited service for each month you are paid for one or more hours of work with Northrop Grumman.
Break in service	A period during which you complete less than 501 hours of service in a calendar year due to certain leaves of absence, for example.
Cash balance plan	A defined benefit pension plan that looks like and expresses its benefits like a defined contribution plan (i.e., accounts and account balances, contributions, and interest credits).
Defined benefit (DB) plan	A plan in which the employer predetermines or "defines" the benefit to be paid upon retirement. The benefit is based on a formula that takes into account an employee's compensation, years of service, or a combination of the two. This type of plan provides a predictable benefit amount.



Contribution (DC) plan	Compensation or other net contribution. The benefit payable is based on the money that accumulates in an employee's account, and reflects employer contributions, employee contributions (if any) and any investment gains or losses.
Excess pay	Pay above the Social Security wage base.
Final Average Earnings (FAE)	Some of the heritage portions of our pension plans include final average earnings (FAE) at retirement (generally an average of the three highest-earning years, or the average of the highest five consecutive years, depending on plan provisions) as a factor in determining your retirement benefit. Refer to your heritage plan's summary plan description for plan provisions.
Interest credit	Interest credited to your cash balance account each month. The interest rate for the Pension Program is updated monthly, using the rate in effect four months before the interest credit is allocated.
Nonqualified plan	A general term for describing a U.S. plan that is not subject to the restrictions of qualified plans as specified by the Employee Retirement Income Security Act of 1974 (ERISA), and consequently does not receive the favorable tax treatment of qualified plans.
Pay-based credit	The amount as a percentage of your pension-eligible compensation, based on your "points," that Northrop Grumman credits to your cash balance account each month.
Pension-eligible compensation	Pensionable earnings used to determine pay-based credits.
Points	The sum of your age on the first day of the month and credited service on the last day of the prior month (rounded down to a whole number). Points determine the amount of pay-based credit that Northrop Grumman allocates to your cash balance account.
Qualified plan	An employee pension plan that meets certain requirements of the IRS and is therefore eligible for special tax treatment for both the employee and employer.
Social Security wage base (SSWB)	The maximum amount of pay subject to Social Security (OASDI portion of FICA) tax each year. Both you and Northrop Grumman pay the OASDI portion of FICA taxes on your pay up to the Social Security wage base (SSWB), which is updated each year by the Internal Revenue Service (IRS). The Pension Program provides an additional pay-based credit if you have pension-eligible compensation above the SSWB.
Vested benefits	Accrued benefits that you own. If you leave Northrop Grumman before your benefit is vested, you will not receive an employer-provided benefit.
Year of vesting service	A year of service with Northrop Grumman that accumulates to meet the Program's vesting requirement.



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International:

Dial the AT&T Direct Access number then dial 800-894-4194.
TTY service is available at 711.

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