



# The Merck Benefits Book

Your Merck Savings Plan

IUC



# Your Savings Plan Benefits

This Summary Plan Description (SPD) describes the terms and conditions of the Merck & Co., Inc. Employee Stock Purchase and Savings Plan (sometimes referred to as the “401(k) Plan,” the “Merck Savings Plan,” or the “Savings Plan”), as it applies to:

**MERCK EMPLOYEES REPRESENTED BY:** The Paper, Allied-Industrial, Chemical and Energy Workers and its Locals 2-575 and 2-580, and the International Chemical Workers Union Council of the United Food and Commercial Workers Union and its Locals 94C and 609-C, and the Union of Needletrades, Industrial and Textile Employees and its Local 1398 (collectively, the “IUC employees”).

This SPD does not apply to any employee or former employee of Merck (or its subsidiaries or joint ventures) other than those identified above.

Merck reserves the right to amend the Savings Plan in whole or in part or completely discontinue the Savings Plan at any time, subject to the terms of the applicable collective bargaining agreement.

This SPD replaces the Savings Plan Section of the Merck Benefits Book dated January 1999 and all summaries of material modifications applicable to that section dated before January 1, 2005. This SPD reflects the provisions of the Plan in effect as of January 1, 2005.

Terms that are frequently used in this SPD are defined in the [Glossary](#).

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# About Your Savings Plan Benefits

The Merck & Co., Inc. Employee Stock Purchase and Savings Plan is your opportunity to become a Merck stockholder and to build savings for long-term needs—like retirement—while Merck adds to your personal savings. Participation in the Savings Plan is voluntary, so you’ll need to actively enroll if you decide to join.

The following [About Your Savings Benefits](#) section provides you with important information about eligibility and enrollment and other administrative details. The next section, [The Merck Savings Plan](#), describes how the Savings Plan works and provides more of the information related to investments in and distributions from the Plan.

## Overview

The Merck Savings Plan offers benefits to eligible employees represented by the Inter Union Council (IUC). Eligible Employees may enroll for participation in the Merck Savings Plan. See [Eligibility](#). The Savings Plan is designed to help you invest in the future and prepare for retirement income needs. The Savings Plan offers eligible employees several ways to save for retirement:

- **Payroll Deductions**  
You can contribute from 2% to 15% of your eligible Base-Pay plus COLA on a pre-tax and/or after-tax basis (subject to annual limits established by federal law). Employees who are Non-Highly Compensated Employees can contribute up to 25% of eligible base pay plus COLA.
- **Company Matching Contributions**  
Merck matches every dollar you contribute as pre-tax or after-tax contributions—up to 6% of your eligible base pay plus COLA—with \$0.65.
- **Investment Options**  
You have a variety of different investment options from which to choose.

## Eligibility

You may participate in the Savings Plan if you are an Eligible Employee. The following chart describes when (or if) you are eligible to participate in the Savings Plan.

<b>About Eligibility and Participation</b>			
<b>Employee Status</b>	<b>On Your Date of Hire</b>	<b>On the First Day of the Third Month After Your Date of Hire</b>	<b>Cost</b>
Eligible IUC Employee  Transferred Employee	No participation	You may enroll for participation in the Savings Plan by contacting Fidelity Investments by phone or through the Web. See <a href="#">Contact Information</a> .  Payroll deductions will begin as soon as administratively feasible after you enroll.	You contribute to the Plan on a pre-tax and/or after-tax basis. Your contributions are subject to various limits. The Company also contributes to the Plan. See <a href="#">Your Contribution Options</a> .
Rehired Eligible IUC Employee  Transferred Employee	As soon as administratively feasible following date of retire or transfer	Not Applicable	Not Applicable



## Enrollment

If you are an Eligible Employee and want to participate in the Savings Plan, you must enroll. You can enroll for participation when you first become eligible or at any time after you become eligible. Enrollment for the Savings Plan is through Fidelity Investments—the service provider for administration of Merck’s Health & Insurance and Merck Savings Plan benefits.

### First-Time Enrollment in the Savings Plan

To enroll in the Savings Plan, you must contact Fidelity Investments. See [Contact Information](#). You may enroll by phone or through the Web. See [How to Enroll](#).

#### When you enroll, you must:

- **Choose pre-tax and/or after-tax payroll deduction percentages**  
You may contribute from 2% to 15% of your annual eligible Base pay plus COLA. If you are a Non-Highly Compensated Employee, you may contribute from 2% to 25% of your annual eligible base pay plus COLA. Pre-tax contributions are subject to an annual dollar limit. See [Pre-Tax Contribution Option](#).
- **Select your investment options**  
The sum of your investment option choices must total 100%. Each investment option percentage must be in whole percentage increments.
- **Specify what happens should you reach the pre-tax contribution maximum during the year**  
You may:
  - Contribute to the Savings Plan on an after-tax basis; or
  - Suspend your contributions. See [Contribution Limitations Required by Law](#).

You will receive a written confirmation of your elections if you enrolled by phone. If you enroll online, you may request a confirmation of your elections on your enrollment or download a confirmation of your elections.

If you do not elect to participate when you first become eligible, you may elect to participate at any time thereafter.

Payroll deductions will begin as soon as administratively possible after you enroll.

### Enrolling During the Year

You may enroll, suspend or make changes to your Savings Plan participation at any time during the year after you are eligible. See [How to Enroll](#).

**Key Point**

#### What’s a PIN?

When accessing the Merck Benefits Service Center (online through Fidelity NetBenefits or by phone through a Customer Service Associate, you will need a Personal Identification Number (PIN). Your PIN provides another level of security to ensure that only you can access your benefits information. For your protection, keep your PIN confidential.

Establishing your PIN is easy:

- Select Create a PIN and follow the online or spoken instructions.
- You will need to enter:
  - Your Social Security number;
  - Your date of birth;
  - Your home zip code;
  - Your mother’s maiden name (only the first time you set up a PIN); and
  - A 6–12 digit PIN (you will enter this twice for verification).

Note: Your PIN cannot be your date of birth or your Social Security number. It also cannot contain multiple repetitive digits or be in ascending or descending order.



## How to Enroll

Once eligible for participation in the Savings Plan, there are two ways for you to enroll:

- **Access Fidelity NetBenefits® Online**  
Go online through Fidelity NetBenefits® at <http://netbenefits.fidelity.com>. Internet access is available virtually 24/7, using your Social Security number and a 6–12 digit Personal Identification Number (PIN) that you select by following the appropriate prompts. (Also keep in mind that when logging on to NetBenefits, you may choose to use a Customer ID—an identifier you create—in place of your Social Security number.)
- **Contact a Fidelity Customer Service Associate by Phone**  
For benefits information, support, and transactions, associates are available between 8:30 A.M. and midnight, Eastern Time, Monday through Friday (excluding New York Stock Exchange holidays). Customer Service Associates can take your benefit elections by phone, just in case you're traveling or don't have access to the internet.
  - For calls in the U.S.: Call **800-66-MERCK** (800-666-3725).
  - For TDD service for the hearing impaired: Call 800-343-0860.
  - For overseas calls: Dial your country's toll-free AT&T Direct® access number then enter 800-666-3725. In the U.S., call 800-331-1140 to obtain AT&T Direct access numbers. From anywhere in the world, access numbers are available online at [www.att.com/traveler](http://www.att.com/traveler) or from your local operator.

**Key Point**

To designate a beneficiary for your Merck Savings Plan account, simply access your account through NetBenefits, click on *My Profile* and then on *Beneficiaries*. However, keep in mind that there are default beneficiaries set up: if single, your estate; if married, your spouse.

If you are married and you want to designate a beneficiary other than or in addition to your spouse, you cannot do so online. You must submit a completed *Beneficiary Form* to Fidelity which includes written, notarized consent from your spouse. Forms are available online through the NetBenefits Reference Library or by calling the Merck Benefits Service Center. See [Contact Information](#).

### Designating a Beneficiary

If you do not designate a Beneficiary and die before receiving your account balance, your Savings Plan benefits will be distributed in a lump sum to:

- Your spouse if you are married; or
- Your estate if you are not married.

If you wish to designate a beneficiary to receive benefits under the Savings Plan in the event of your death, you must make your designation online through Fidelity Net Benefits—or by completing and submitting a Beneficiary Form, available through the NetBenefits Reference Library or by calling the Merck Benefits Service Center. See [Contact Information](#).

Please note that effective May 1, 2004, only beneficiary designations made by you and filed by you with Fidelity will be recognized under the Savings Plan. Therefore, all prior beneficiary designations previously made by you and held by Merck will be invalid and of no further force and effect as of May 1, 2004.

If you are married and you want to designate a beneficiary other than or in addition to your spouse, you cannot do so online. You must submit a completed *Beneficiary Form* to Fidelity which includes written, notarized consent from your spouse. For more information about payment of your account balance if you die, see [If You Die](#).



**Your Contribution Options**

Under the Savings Plan, you may choose to contribute a percentage of your eligible Base pay plus COLA, subject to certain limitations. Both pre-tax and after-tax contributions are permitted—and accumulate on a tax-deferred basis.

Catch-Up Contributions reduce current taxes like pre-tax contributions, but do not share in the Company match. See Catch-Up Contributions.

You may contribute from 2% to 15% of your base pay plus COLA. However, only Non-Highly Compensated Employees may contribute up to 25% of base pay plus COLA.

Note: The sum of both pre-tax and after-tax contributions must be at least 2% and not more than 15% (25% for non-highly compensated employees) of your base pay plus COLA. For example, if you are non-highly compensated, you could designate 15% as pre-tax contributions and 10% as after-tax contributions.

Note: All employees may contribute up to 15% to the Savings Plan, but only non-highly compensated employees may contribute up to 25%. The compensation used to determine if an employee is non-highly compensated is the amount of compensation from the preceding year. Generally, a non-highly compensated employee for Plan year 2004 is an employee of the Company who received \$90,000 or less in compensation from the Company or its affiliates during 2003. The compensation limit is indexed and can change over time. Note that the determination is based on earnings as reported to the IRS, not on base pay plus COLA.

Only for the purpose of determining eligibility to contribute up to 25% to the Savings Plan, the determination is effective between March 1 and the last day in February rather than on a Plan Year basis. For example, if an employee earned \$100,000 from the Company in 2002, the employee would be considered highly compensated between March 1, 2003 through February 29, 2004, even if that employee's compensation dropped below the applicable limit during 2003. If you become non-highly compensated after having been highly compensated, you must contact Fidelity to increase the amount of your contribution, even if you previously contributed the maximum percentage.

**Pre-Tax Contributions Option**

When you contribute on a pre-tax basis, the Company deposits some of your salary into the Savings Plan instead of including the money in your paycheck. Because of a special tax rule, you do not pay current federal income taxes or in most cases, state (the Commonwealth of Pennsylvania taxes pre-tax contributions) and local taxes on your pre-tax contributions. (You do, however, pay Social Security taxes on your pre-tax contributions.) Instead, you defer taxes on your contributions and the earnings on them until they come out of the Savings Plan. Lower taxes means more pay remaining in your paycheck. Pre-tax contributions are limited to an annual amount set according to federal law each year as described in the following table.

<b>Pre-Tax Contribution Limits</b>	
<b>Plan Year</b>	<b>Annual Pre-Tax Contribution Limit</b>
2004	\$13,000
2005	\$14,000
2006	\$15,000
2007 and later	Adjusted for inflation

The law that established these annual pre-tax limits contains a “sunset” provision—the statute expires at the end of 2010. For years thereafter, the annual limits may be lower, and of course the law is always subject to change.



## Catch-Up Contributions

Employees who are or will be age 50 or older by the end of a Plan Year may make additional pre-tax “Catch-Up Contributions.” To be eligible, employees who are old enough also must actively participate in the Savings Plan and make contributions (pre-tax or after-tax) of 6% or more (or otherwise make pre-tax contributions equal to the annual pre-tax contribution limit). Eligible participants may contribute between 1% and 50% of eligible base pay plus COLA to fund catch-up contributions. These special contributions will be invested in the same manner as other participant contributions made at the same time. Catch-up contributions will continue to be deducted, at the percentage selected, until the annual limit is reached. The election will be effective for following years unless the participant contacts Fidelity. The annual limit increases over the years, as shown in the following table.

<b>For Participants Age 50 or Over as of December 31:</b>	<b>Applicable Catch-Up Contribution Annual Limit:</b>
2003	\$2,000
2004	\$3,000
2005	\$4,000
2006	\$5,000
2007 and later	Adjusted for inflation

The law that established these annual pre-tax limits contains a “sunset” provision—the statute expires at the end of 2010. For years thereafter, Catch-Up Contributions would no longer be allowed. Of course, the law is always subject to change. Eligible participants may elect to make catch-up contribution elections by contacting Fidelity by phone or online. The election to make catch-up contributions does not affect the election to contribute between 1% and 15% (25% in the case of a Non-Highly Compensated Employee) as pre-tax or after-tax contributions.

If you want to make catch-up contributions, consider the following:

- Catch-up contributions will not be matched—no Company Matching Contributions apply;
- Catch-up contributions do not count toward the Plan’s pre-tax contribution limit. Rather, they are in addition to other pre-tax (and after-tax) contributions; and
- Until you change it, your catch-up contribution percentage continues automatically—and indefinitely—for years to come. To avoid a beginning-of-the-year surprise, it’s important to keep track of your election and structure (and restructure) your annual catch-up contributions to meet your savings goals and your budgetary needs. For example, maybe a 50% catch-up election feels just fine for 2004—because the contribution limit is \$3,000. However, in 2006, that same 50% election could translate into a single monthly contribution of \$5,000.

NOTE: Before 1995, the Savings Plan permitted participants to make after-tax contributions that also were called “Catch-Up Contributions.” Those contributions, which we now refer to as “Pre-EGTRRA Catch-Up Contributions” for clarity, are unrelated to the catch-up contributions described in this section.

## After-Tax Contributions Option

After-tax contributions are taken out of your salary after your federal taxes are withheld. This means your contributions are taxed before they go into the Savings Plan. When the contributions come out, you will not pay any more income taxes on them, just on their earnings.

## Contribution Limitations Required by Law

The Internal Revenue Code places certain limits on the amount of contributions made to a plan like the Savings Plan. These limits are designed in part to prevent discrimination in favor of highly compensated employees and can affect the amount of pre-tax contributions and after-tax contributions of highly compensated employees. The limits also operate to restrict the amount of tax advantages to highly compensated and non-highly compensated employees.

One limit is applied by means of a non-discrimination test that compares pre-tax contributions of highly compensated employees to pre-tax contributions of Non-Highly Compensated Employees. Another test compares after-tax and Company Matching Contributions of highly compensated employees to those of non-highly compensated employees. If the contributions do not meet the non-discrimination test, highly compensated employees’ contributions will be reduced.



## About Your Savings Plan Benefits

The amount that you can contribute, whether or not you are highly compensated, during any calendar year on a pre-tax basis also is limited. You may not contribute, on a pre-tax basis, more than an amount as in effect each year under federal law to the Savings Plan and to any other 401(k) plan. See [Pre-Tax Contributions Option](#). Merck will monitor the limit for the Savings Plan and other plans maintained by the Company's affiliates. However, Merck cannot monitor the limits for you if you participate in another employer's 401(k) plans during any calendar year; it is your responsibility in that case to limit your pre-tax contributions. If you do not limit your contributions appropriately, you should expect adverse tax consequences.

When you enroll in the Savings Plan, you should consider what will happen if you reach the pre-tax limit during a year. You can elect to:

- Continue to contribute, but designate the excess amount as after-tax contributions;
- Suspend contributions (in which case the excess will be returned to base pay and paid to you). If you suspend contributions, you will not receive any further Company Matching contributions while you are suspended. And, depending on your base pay plus COLA and the percentage that you chose to contribute, you could reach the annual pre-tax dollar limit early in the year—before you take full advantage of the Company match. Your contributions automatically will resume in the following Plan Year; or
- Elect a catch-up contribution as stated by the IRS.

To make sure you receive the full benefit of the Company match, be sure to estimate when or if you will meet the pre-tax limit—and adjust your contributions accordingly.

### **Rollover Contributions and Trust-To-Trust Transfer Contributions**

Rollover Contributions and trust-to-trust transfer contributions are additional ways you may contribute to the Savings Plan. They are not matched by Company contributions, but share in the advantages of available investment funds and tax-deferred growth. Rollover contributions and trust-to-trust transfer contributions may be deposited in the Savings Plan even before you are able to otherwise enroll in it. If either is your first contribution, you will designate how it is to be invested. See [Your Investment Choices](#). If the rollover contribution or trust-to-trust transfer contribution is not your first contribution, it will follow your current investment elections for your regular contributions.

#### **Rollover Contributions**

If you participated in a tax-qualified plan with a previous employer and received a pay-out from that plan, you may be permitted to contribute part or all of that pay-out in cash to your account. The minimum you can “roll over” is \$500. You should contact Fidelity Investments (see [Contact Information](#)) before you begin the process of obtaining a distribution from your prior plan for full details on the requirements applicable to making a rollover contribution. You also will need to contact your previous employer to arrange for a distribution from the prior Qualified Plan. Eligible rollovers include certain distributions from qualified retirement plans, such as 401(k) savings plans and pension plans. Distributions from some Individual Retirement Accounts (“IRAs”) may be eligible for roll over, if no contributions were made to it other than distributions from qualified plans. After-tax contributions from a qualified plan may be rolled over into the Savings Plan. If you received a distribution payable directly to you (instead of to an IRA or to the Savings Plan) and do not contribute it to the Savings Plan within 60 days of its distribution, you cannot rollover the distribution to the Savings Plan.

#### **Trust-to-Trust Transfer Contributions**

The Employee Benefits Committee generally will approve a direct trust-to-trust transfer of assets from the Savings Plan trust for groups of employees (such as when the Company acquires another business and then merges that plan into this Savings Plan), but does not approve trust-to-trust transfers for individual employees. All assets transferred will retain their characteristics as pre-tax, after-tax, or rollovers.

Employee Benefits Committee approval is not required for a transfer of assets between the assets of this Plan and any of the following if you become eligible to participate in one after having participated in the other: the Employee Savings and Security Plan, the Merck Puerto Rico Employee Savings and Security Plan, , or the TELERx Marketing 401(k) Plan and this Savings Plan.



**Company Matching Contribution**

Regardless of whether you make pre-tax and/or after-tax contributions, you receive the same Company matching contribution. It is based on your pay period contribution to the Savings Plan.

<b>Company Matching Contribution Amounts...</b>	<b>The Investment of Company Matching Contributions...</b>
Are equal to \$0.65 for every \$1 you contribute, up to 6% of base pay plus COLA.	Participants may choose to : <ul style="list-style-type: none"> <li>- Direct all or a portion of your future Company-matching contributions to any of the available investment options; and</li> <li>- Invest any existing Company-match in any of the Plan’s available investment options.*</li> </ul>
*Prior to January 1, 2005, the investment of Company-matching contributions varied, based on your age: Until age 50, half (50%) of the Company matching contributions were invested in the Merck Common Stock Fund. Once age 50 or older, you could diversify.	

If you fail to make a contribution during any pay period or you make a contribution of less than 6% of your pay for that pay period, you will never receive the maximum Company match for that pay period. You cannot receive the Company match for that pay period by making additional contributions in subsequent pay periods.

Depending on your salary—and the amount you contribute to the Plan—you may reach the annual IRS pre-tax limit (\$13,000 in 2004) before the end of the year. And, if this occurs, you will have the choice of suspending your contributions to the Plan for the balance of the year, which translates to no further Company-matching contributions for that year or switching to after-tax contributions.

The chart below shows what the Company matching contributions would be for different levels of base pay plus COLA:

**Key Point**

**Don't Miss out on the Company Match**  
 To receive the full value of the Company match, you must contribute at least 6% to the Savings Plan for each pay period. But be careful—employees who contribute a higher percentage of pay to the Savings Plan are at risk of missing out on a portion of the Company match by contributing too much, too soon.

<b>If Your Annual Base Pay Plus COLA Is...</b>	<b>And You Save 6% or More of Your Pay Each Pay Period, the Company Match* Is...</b>
\$30,000	\$97.50 per month, or \$1,170 per year
\$40,000	\$130.00 per month, or \$1,560 per year
\$50,000	\$162.50 per month, or \$1,950 per year
*Before January 1, 1990, part of your Company matching contributions would have been subject to pre-tax distribution rules if you were contributing on a pre-tax basis. All Company matching contributions made after 1989 are subject to the more lenient distribution rules of after-tax contributions, even if they match your pre-tax contributions.	



### **Dividend Flexibility on Merck Common Stock**

Effective August 1, 2003, the Company converted the Merck Common Stock Fund into an Employee Stock Ownership Plan (ESOP) for IUC participants. This change allows you to decide how cash dividends on stock held in the Merck Common Stock Fund will be paid to you. Keep in mind that dividends are, as always, subject to the decision of Merck's Board of Directors.

You may choose to:

- Reinvest dividends in the Merck Common Stock Fund; or
- Elect to receive dividends in cash.

Keep in mind that there are tax and investment implications associated with either choice:

- **If you elect to reinvest dividends in the Merck Common Stock Fund**

No tax will be payable until you take a withdrawal or distribution of the dividend proceeds from your account. Dividends will continue to be reinvested—which can add to the growth potential of your Savings Plan account balance—and they may benefit from potential tax-deferred compounding as well.

- **If you elect to receive dividends in cash**

They will be considered taxable income in the year they are received. These dividends are not eligible for the reduced tax rate under the new tax law; they are taxed as ordinary income. No taxes will be withheld from your dividend check (you may have to pay estimated tax). While the cash payment of dividends provides you with additional current income, it can also lower the growth potential of your Savings Plan account balance. You will not receive any potential tax-deferred compounding on the cash dividends paid to you, so your Savings Plan account balance at retirement may be reduced. Over time, compounding has the potential to multiply the effects of even small amounts added to your Savings Plan account.

To elect to receive dividends in cash, contact the Merck Benefits Service Center (see [Contact Information](#)). If no election is received by Fidelity, dividends will be reinvested in the Merck Common Stock Fund. However, at any time, you have the opportunity to change your election—prospectively—for any future dividend declarations. You can change your election by contacting Fidelity. If you do not change your election, it will continue to apply to any future dividends.

### **About Taking Cash Dividends**

Dividends are paid out from the ESOP soon after they are paid by the Company. *If dividends to be paid are less than \$10, no amount will be distributed or carried forward for any successive period. For administrative purposes, the same terms and conditions apply to both IUC Savings Participants and participants in the Merck & Co., Inc. Employee Savings and Security Plan, as in effect from time to time.*

### **When Participation Begins**

If you are eligible for participation under the Savings Plan, the date your participation begins is based on your employment status. See the charts under Eligibility for a description of when participation begins.

### **When Life Changes**

When life changes occur, benefits may be affected under the Savings Plan.

### **Making Changes During the Year**

Your election to contribute to the Savings Plan will remain in effect from the date you enroll until you are no longer eligible to contribute. While you are eligible, at any time during the year you may enroll or suspend your contributions, and change your investment elections, pre-tax contributions, after-tax contributions, Catch-Up Contributions, fund allocations. You do not need a permitted plan change to make changes to your Savings Plan during a Plan Year.



### **If You Take a Leave of Absence**

If you take an approved paid leave of absence, the Company will continue to deduct your contributions toward the Savings Plan. Deductions will be made on a pre-tax and/or after-tax basis depending on your election.

If you take an approved paid or unpaid leave of absence in which you are receiving less than full pay, your pre- and after-tax and catch-up contributions toward the Savings Plan will be automatically suspended. However, you generally will be required to continue making loan repayments, although not through payroll deductions. When you return to work contributions will resume automatically. See [Contact Information](#). No Company Matching Contributions will be made for any time your contributions to the Savings Plan are suspended.

### **If You Have Been Placed on Layoff**

If you have been placed on layoff, your pre- and after-tax and catch-up contributions toward the Savings Plan will be automatically suspended. If you have any outstanding loans, you generally will be required to repay your loan in full—or the balance of the loan will be treated as a distribution. See [A Word About Taxes](#).

### **If You Take a Military Leave**

If you take a military leave at less than full pay, your contributions to the Plan will automatically be suspended. When you return to work, you may make up your missed before-tax or after-tax contributions. If eligible for the Company match, you will receive the Company match on your make up contributions.

If you have an outstanding loan at the time of your military leave; you are not required to make loan payments during the length of your military leave.

### **If You Receive LTD Benefits**

If you are or become an LTD employee, your contributions to the Savings Plan will be automatically suspended. If you return to work your contributions will automatically resume. No Company matching contributions will be made for any time your contributions to the Savings Plan are suspended. If you become an LTD employee, you may elect to receive all or part of pre-tax Contributions and Company matching contributions.

### **If You Get Divorced**

Divorce generally has no direct effect on your contributions to the Savings Plan. However, if you are divorced or getting divorced, you should pay particular attention to your Beneficiary Designation/Change Form. If you are married, you cannot validly change your Beneficiary without your spouse's consent before your divorce decree is entered by a court. And, if you have a Beneficiary Designation/Change Form on file with the Plan, a divorce decree generally will be insufficient to change the beneficiary. It is possible that a decree that satisfies all of the requirements of a "Qualified Domestic Relations Order" as defined by the Savings Plan may revoke a beneficiary designation, but a new Beneficiary Designation/Change Form must be filed as described in Designating a Beneficiary. Once your divorce is final, you should carefully review your designated beneficiary information on file, if any.

### **Qualified Domestic Relations Order**

All or part of a participant's benefit may be assigned to an "alternate payee" (generally, the participant's spouse, former spouse, child or other dependent) pursuant to a state court domestic relations order that is qualified by the Plan Administrator or its delegate. Required procedures and available model orders are available from:

Domestic Relations Information Center  
Merck & Co., Inc., WS 3B-35  
One Merck Drive, P.O. Box 100  
Whitehouse Station, NJ 08889-0100  
908-423-7962



## **If You Die**

If you do not designate a Beneficiary, and die before receiving your account balance, your Savings Plan benefits will be distributed in a lump sum to:

- Your spouse if you are married; or
- Your estate if you are single.

You may designate an individual, a trust, or your estate as the beneficiary of your account balance if you die while you have an account balance, whether or not your employment has terminated. However, if you are married and die before you have received a distribution from the Savings Plan, your account balance will be paid in a lump-sum to your spouse unless you have designated someone else as the beneficiary and your spouse consented to the designation on the forms required under the Savings Plan. When you die, your account will be payable to the person who is then your spouse unless he or she consented in writing to your beneficiary designation. See Designating a Beneficiary.

Death benefits from the Savings Plan are paid in a lump sum as soon as administratively feasible after the Company learns of a participant's death. In extraordinary circumstances, such as where litigation between alleged beneficiaries arises, the payments will be delayed until the Claims Administrator is satisfied that payment does not subject the Plan to undue risk of harm to the Savings Plan.

As your life changes, you periodically should review your personal situation and your beneficiary designation, if any, to be sure that it continues to reflect your current wishes. This becomes particularly important when you have a "life event"—marriage, divorce, re-marriage, birth of a child or death of a loved one, for example. You can check on your current beneficiary designation by contacting Fidelity Investments. Also, please understand that changing your beneficiary designation under this Plan doesn't change your beneficiary under any other plan, such as Life Insurance. See the [Life Insurance Benefits SPD](#).

## **ERISA**

As a participant in the Savings Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

- Receiving Information About Your Plan and Benefits
- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Savings Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
- Obtain, upon written request to the Plan administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the Savings Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Savings Plan must provide the statement free of charge.

## **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have



## About Your Savings Plan Benefits

a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining your benefits or exercising your rights under ERISA.

### Enforcing Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. See [Filing a Claim and Appealing a Claim](#).

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### Assistance with Your Questions

If you have any questions about the Savings Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the:

Division of Technical Assistance and Inquiries  
Pension and Welfare Benefits Administration  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the Publications Hotline of the Pension and Welfare Benefits Administration at 202-219-8776.

### Administrative Information

This section contains information on the administration and funding for the Savings Plan, as well as your rights as a Savings Plan participant. While you may not need this information for day-to-day participation in the Savings Plan, you should read through this section. It is important for you to understand your rights, the procedures you need to follow, and the appropriate contacts you may need in certain situations.

### Employer/Sponsor

Merck sponsors the Savings Plan. The employer identification number assigned to Merck by the IRS is #22-1109110. The address and phone number for Merck is as follows:

Merck & Co., Inc.  
P.O. Box 100  
Whitehouse Station, NJ 08889-0100      Phone: 908-423-1000



## **Plan Administrator/Claims Administrator**

The Plan Administrator for the Savings Plan is Merck. Administration of the Savings Plan is the responsibility of the Plan administrator. The Claims Administrator determines eligibility for benefits under the Savings Plan in accordance with the official Savings Plan document(s). For claims administrator information, see the [Plan Funding and Administrative chart](#).

Merck as Plan administrator, has the exclusive discretionary authority to:

- Construe and interpret the provisions of the Savings Plan;
- Make factual determinations;
- Decide all questions of eligibility for benefits;
- Determine the amount of such benefits;
- Resolve issues arising in the administration, interpretation, and/or application of the Savings Plan;
- Correct any defects;
- Reconcile any inconsistencies; and
- Supply any omissions with respect to the Savings Plan.

Its decisions on such matters are final and conclusive. Merck, as Plan administrator, has reserved the right to delegate all or any portion of its discretionary authority described in the preceding sentence to a representative (e.g., claims administrator) and such representative's decisions on such matters are final and conclusive. Any interpretations or determinations made pursuant to such discretionary authority of the Plan administrator or its representative will be upheld in judicial review unless it is shown that the interpretation or determination was an abuse of discretion.

Contact the Plan administrator if you have any questions about the Savings Plan, other than routine questions or questions about the filing or status of claims under the Savings Plan. For routine questions, call Employee Services. See [Contact Information](#).

For questions about the filing status of claims, contact the Claims administrator at the address listed in Filing a Claim.

The Plan administrator may be contacted through the Company's Benefit Services Department as follows:

Director, Benefit Services  
Merck & Co., Inc., CR-BS  
One Merck Drive  
P.O. Box 100  
Whitehouse Station, NJ 08889-0100

## **Agent for Services of Legal Process**

If, for any reason, you want to seek legal action against the Savings Plan, you can serve legal process on Merck, by directing such service to Director, Benefit Services at the following address:

Director, Benefit Services  
Merck & Co., Inc., CR-BS  
One Merck Drive  
P.O. Box 100  
Whitehouse Station, NJ 08889-0100

Service of legal process may also be made upon Merck, the Plan administrator, or the Trustee.

## **Plan Funding and Administration.**

The Savings Plan is funded by employee contributions and Company Matching Contributions.



### **Limit on Assignment Alienation**

You may not transfer, pledge, alienate or assign any benefit to which you are entitled under the Savings Plan. Nor may any benefit be subject to your debts or other liabilities unless specifically permitted by law. However, if the Savings Plan administrator receives a Qualified Domestic Relations Order relating to marital property rights, alimony payments or child support, all or part of your benefit may be payable to someone else.

### **No Right to Employment**

Nothing in this SPD represents nor is considered an employment contract, and neither the existence of the Savings Plan nor any statements made by or on behalf of the Company shall be construed to create any promise or contractual right to employment or to the benefits of employment. The Company or you may terminate the employment relationship without notice at any time and for any reason.

### **Plan Amendment and Termination**

Merck reserves the right to amend the Savings Plan in whole or in part or to completely discontinue the Savings Plan at any time. Any amendment, termination or other action by Merck with respect to the Savings Plan shall be by Merck's Board of Directors or by the U.S. Compensation and Benefits Committee the concurrence of its Chief Executive Officer. Amendments may be retroactive. However, current law and the Savings Plan forbid any amendment or termination that would cause you to forfeit your account balance to the extent it has accrued before the amendment or termination.

If the Savings Plan is terminated and surplus assets remain after all liabilities have been paid, such surplus shall revert to Merck to the extent permitted under applicable law, unless otherwise stated in the applicable Plan document.

### **Plan Documents**

This SPD is intended merely as a summary of the official Plan document(s). In the event of any disagreement between this summary and the official Plan document(s), as they may be amended from time-to-time, the provisions of the Plan document(s) will govern.

### **Plan Year**

The Plan Year for the Savings Plan ends on December 31 of each year. The financial records of the Savings Plan are kept on a calendar-year basis.



## Contact Information

<b>For More Information About...</b>	<b>Contact...</b>	<b>By Phone...</b>	<b>By Web...</b>
Merck Benefits	The Merck Benefits Service Center	800-66-MERCK (800-666-3725)	<a href="http://netbenefits.fidelity.com">http://netbenefits.fidelity.com</a>
	Merck Benefits internet and intranet web sites	N/A	<a href="http://humres.merck.com/benefits">http://humres.merck.com/benefits</a> <a href="http://www.merck.com/benefits">www.merck.com/benefits</a>
Financial Engines®	888-443-8577 Monday-Friday, 9:00 a.m. to 9:00 p.m., Eastern Time	Not applicable	<a href="http://www.financialengines.com/">http://www.financialengines.com/</a>
Fidelity NetBenefits <sup>SM</sup>	Fidelity Investments	800-66-MERCK (800-666-3725)  TTY/TDD for the hearing impaired is available at 800-610-4015	<a href="http://netbenefits.fidelity.com">http://netbenefits.fidelity.com</a>
Qualified Domestic Relations Orders	Domestic Relations Hotline	908-423-7962	Not Applicable



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# The Merck Savings Plan

The Merck & Co., Inc. Employee Stock Purchase and Savings Plan is your opportunity to build savings for long-term needs—like retirement—while Merck adds to your personal savings. The Savings Plan is voluntary, so you decide if you want to make the Savings Plan part of your financial future. This section describes how the Savings Plan works—and provides more of the information related to investments in and distributions from the Plan. The previous section, [About Your Savings Plan Benefits](#), provides you with important details about eligibility, enrollment and other administrative details.

## At-a-Glance

Here are some key features of the Savings Plan:

- **Convenient payroll deductions**  
You pay yourself first by contributing from 2% to 15% of your eligible base pay plus COLA. Non-Highly Compensated Employees may contribute up to 25% of base pay plus COLA. And, you decide whether to make your contributions on a pre-tax or after-tax basis. Pre-tax contributions are subject to the annual limits set by federal law.
- **Company Matching Contributions**  
Merck matches every dollar you contribute as pre- or after-tax contributions—up to 6% of eligible base pay plus COLA—with 65 cents, giving you an immediate return on your investment. And, you have full ownership rights to these Company matching contributions immediately.
- **Immediate vesting**  
100% of your and the Company's contributions, plus all earnings, regardless of your length of service, are non-forfeitable.
- **A variety of investment options**  
You have a wide choice of investment options including the Merck Common Stock Fund.
- **Access to your money and easy account management.**  
Loans and withdrawal options let you have access to your savings—if and when you need it. (However, the Savings Plan is a retirement savings vehicle, so there are limitations on loans and withdrawals.) And, you can change the amount you're saving or the way your money is invested anytime.

## How the Savings Plan Works

### Your Savings Plan Account

When you become a participant in the Savings Plan, an account is set up in your name with the Plan's trustee. Your contributions and Company matching contributions are credited to your account. Investment gains (or losses) are also reflected in the value of your account based on the investment results of the Savings Plan options you chose. You will receive an annual statement after the end of the year. You may access Fidelity NetBenefits<sup>SM</sup> to obtain up-to-date information or statements for different periods. See [Contact Information](#).

### Your Ownership Rights

You always have ownership rights (you are “vested”) in the value of your entire Savings Plan account. That means that after-tax contributions, pre-tax Contributions, catch-up contributions, Company matching contributions, rollover contributions and trust-to-trust transfer contributions, if any—plus the earnings on all of these contributions—cannot be forfeited to the Company or the Plan. Because you are vested, you have a right to receive a full distribution if you retire, die, terminate employment, or become disabled. (You are considered disabled if you are entitled to benefits under the Merck Long-Term Disability Plan for IUC Employees.) Federal law, however, limits what can be distributed to you while you are still working. And certain in-service distributions temporarily keep you from contributing to the Savings Plan. These limitations and penalties are outlined in [Accessing Your Account While You Are Working](#).





## Types of Investment Portfolios

The sample charts below are hypothetical portfolios that illustrate the considerations you might weigh and the asset allocations you might choose. These portfolios show some of the many combinations that can be created. You will find examples of different investment portfolios, which have been created to guide you in developing your own investment strategy. These examples should not be considered investment advice. You should choose investments based on your own personal financial situation. Note: In these descriptions, the term risk refers to the possibility that your investment will go down in value.

<b>Investor Profile</b>	
<b>Conservative Investors...</b>	
<p>Attempt to minimize their investment risk and accept generally lower returns in exchange for less risk and potentially fewer losses. As a conservative investor, you might:</p> <ul style="list-style-type: none"> <li>– Need your retirement savings in the near term;</li> <li>– Have little or no money saved outside the Savings Plan;</li> <li>– Be uncomfortable with a potential decrease in the value of your investments, even on a short-term basis.</li> </ul>	<p>A pie chart showing the asset allocation for conservative investors: 20% Stocks (blue), 50% Bonds (maroon), and 30% Short-Term Instruments (yellow). A legend to the right identifies the colors: blue for Stocks, maroon for Bonds, and yellow for Short-Term Instruments.</p>
<b>Moderate Investors...</b>	
<p>Usually like the potential for a reasonable return on their investment, but desire to achieve the results without major investment fluctuations. As a moderate investor, you might:</p> <ul style="list-style-type: none"> <li>– Have less than four years until you will need your retirement savings;</li> <li>– Have some money saved outside the Savings Plan;</li> <li>– Be comfortable with taking some risk in your investments and want a balance of growth and income.</li> </ul>	<p>A pie chart showing the asset allocation for moderate investors: 50% Stocks (blue), 40% Bonds (maroon), and 10% Short-Term Instruments (yellow). A legend to the right identifies the colors: blue for Stocks, maroon for Bonds, and yellow for Short-Term Instruments.</p>
<b>Growth Investors...</b>	
<p>Are generally willing to take on more risk in an attempt to outperform conservative investments over the long-term. As a growth investor, you might:</p> <ul style="list-style-type: none"> <li>– Have four to six years until you will need your retirement savings;</li> <li>– Have sufficient money saved outside the Savings Plan;</li> <li>– Be comfortable taking more risk for the potential of greater returns in the long-term.</li> </ul>	<p>A pie chart showing the asset allocation for growth investors: 70% Stocks (blue), 25% Bonds (maroon), and 5% Short-Term Instruments (yellow). A legend to the right identifies the colors: blue for Stocks, maroon for Bonds, and yellow for Short-Term Instruments.</p>
<b>Aggressive Investors...</b>	
<p>Are generally willing to accept a higher level of short-term market volatility in exchange for greater potential long-term returns. As an aggressive investor, you might:</p> <ul style="list-style-type: none"> <li>– Have seven or more years until you will need your retirement savings;</li> <li>– Have sufficient money saved outside the Savings Plan;</li> <li>– Be comfortable riding out the ups and downs of the stock market.</li> </ul>	<p>A pie chart showing the asset allocation for aggressive investors: 85% Stocks (blue) and 15% Bonds (maroon). A legend to the right identifies the colors: blue for Stocks and maroon for Bonds.</p>
<p>The purpose of the sample portfolios is to show how portfolios may be created with different risk and return characteristics to help meet your financial goals. You should choose your own investments based on your particular objectives and situation. Remember, you may change how your account is invested. Be sure to review your decisions periodically to make sure they are still consistent with your goals. You should also consider any investments you may have outside of the Savings Plan when making your investment choices.</p>	



## **Life Cycle Funds**

Through the Merck Savings Plan, you may choose from the Fidelity Freedom Funds (sometimes referred to as Life Cycle funds). The Fidelity Freedom Funds are a class of mutual funds designed to offer you a simple approach to long-term retirement investing. Each of the Fidelity Freedom Funds is designed to:

- **Diversify your investments and help manage risk.**  
The Freedom Funds' manager allocates the funds' investments across several asset classes—equity (stock), fixed-income (bond) and money market (short-term)—by investing in a variety of Fidelity® mutual funds. Historically, a diversified asset allocation strategy helps reduce the impact of investment risk over the long term. Neither diversification nor asset allocation ensures a profit or guarantees against loss.
- **See you through your savings years and into retirement.**  
The Freedom Funds provide strategic asset allocation up to and during retirement, becoming gradually more conservative as each fund reaches its target retirement date, and beyond. Over time, the amount invested in stock funds is gradually reduced, while the amount invested in bond and short-term funds is increased. The advantage? You choose one professionally managed fund for a lifetime retirement strategy.
- **Serve as a single investment or as part of your portfolio.**  
Because each fund is managed to provide a consistent retirement investment strategy over time, you can choose just one Freedom Fund for all of your retirement plan assets

If you decide the Fidelity Freedom Funds make sense for you, you would simply select the Fidelity Freedom Fund® that is targeted closest to your desired year of retirement (the number in the Freedom Fund refers to a retirement date). For example, if you plan to retire and take your funds from the Savings Plan in 2028, the Fidelity Freedom 2030 Fund® may be the most appropriate Freedom Fund for your time horizon. If you plan to retire in 2030, but not take your Savings Plan funds until 2035, the Fidelity Freedom 2035 Fund® may be more appropriate. These funds are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risks associated with investing in high yield, small cap and foreign securities.

## **Changing Your Savings Plan Decisions**

From time to time, you can change your investment decisions. You may change how future contributions will be invested, or how savings already in the Savings Plan are invested. You may decide to change both.

All of the following changes are made by contacting Fidelity Investments directly. See [Contact Information](#). If you call between 8:00 a.m. and midnight, Eastern Time, you may speak to a representative or use the automated features; at other times, only the automated features are available. You will need to provide certain identifying information such as your Personal Identification Number (PIN) and Social Security number. The information required and procedures applicable may change from time to time.

## **Amount and Designation of Contributions**

On any day, you can contact Fidelity to change the amount of your contributions to the Savings Plan and whether your contributions will be pre-tax or after-tax. The change will become effective as soon as administratively feasible after you contact Fidelity. You may make these changes more than once during a payroll period, but the designation on file when your payroll is processed will be effective for your entire payroll period.

## **Investment of Future Contributions**

You may change the investment portfolios in which your contributions are invested by contacting Fidelity and indicating the funds in which you wish to contribute in the future. Each investment must be in a whole percentage of your payroll deduction and the total must equal 100%.

Fidelity will invest your payroll deduction as you have instructed as soon as administratively feasible after you contact them to make a change. If you contact Fidelity by phone, you should receive written confirmation of the change within 10 days of your call. If you contact Fidelity online, you may download a confirmation of your elections.



## **Reallocation of Account Balances**

You can also reallocate the way your account balance is currently invested. A reallocation is really two separate transactions—a redemption of units in one investment and a purchase of units in another, although you pay no sales charges. Reallocating your account balance has no effect on the allocation of your future contributions, which may be changed as described above.

For instance, you might decide to “exchange” or reallocate \$500 from a growth fund to a money market fund. In this transaction, Fidelity will redeem enough units of the growth fund to equal \$500. That money will then be used to purchase \$500 worth of the money market fund.

Since the value of your investment in a fund may fluctuate, to make a correct reallocation Fidelity must value the units involved when you request a change. To do this, Fidelity multiplies the shares and fractional shares held by the funds by the closing price per share on the business day the transaction is made. Your units are valued on the same business day you contact Fidelity if you complete your instructions by 4:00 p.m., Eastern Time or on the next business day if you complete your instructions after 4:00 p.m., Eastern Time. All redemptions and exchanges from all Plan participants together are subject to an overall limitation per Plan Year. If the volume of the redemptions and exchanges appears likely to reach or exceed the limit, the Company and Fidelity will take the reasonable steps necessary to enforce the limit. For example, redemptions and exchanges could be limited or forbidden for some or all participants for the necessary time. You will be informed if the limitation applies.

## **Diversification of Company Match**

While Merck believes employees should have a stake in the Company’s performance, Merck also recognizes that employees should have the option to diversify investments. Financial advisors emphasize the importance of diversification, especially for employees nearing retirement who often seek investments with more predictable rates of return. To meet this need, the Savings Plan is designed to give all participants flexibility in investing the Company match.

Effective January 1, 2005, participants may choose to :

- Direct all or a portion of future Company-matching contributions to any of the available investment options; and
- Invest any exiting Company-match to any of the Plan’s available investment options.

## **Accessing Your Account While You Are Working**

While you are still working for Merck, there are three ways you can obtain money from your account:

- An in-service distribution (other than a hardship distribution);
- A hardship distribution; or
- A loan.

## **In-Service Distributions**

The Savings Plan encourages saving for long-term needs like retirement, but recognizes that unexpected financial needs can come along. So within limitations, you can take an in-service distribution from your account. Some of the limitations depend on the type of contributions you are requesting, but all in-service distributions are subject to the following general limits:

- If you have participated in the Savings Plan for less than five years, you cannot receive the Company Matching Contributions that have been in your account for less than the last two years, unless you have a hardship.
- The minimum distribution is the lesser of:
  - \$500; and
  - Your total account balance.

You must specify the dollar amount you wish to receive and, if the distribution involves Merck Common Stock, whether you wish to receive the stock in certificate form or in cash. Fractional shares of stock will not be paid out. If



your distribution consists entirely of Merck Common Stock, you will receive the number of shares which brings you closest to but not over the dollar amount you requested.

Distributions are disbursed according to the following order determined by IRS rules:

- After-tax contributions made before 1987.
- After-tax contributions made after 1986 with a pro-rata portion of earnings on these contributions.
- All other amounts in the Savings Plan. This includes earnings on pre-1987 after-tax contributions, Rollover Contributions plus earnings, Company matching contributions plus earnings (including earnings on amounts in Savings Plan less than two years), pre-tax contributions plus earnings, and Catch-Up Contributions plus earnings.

<b>Key Point</b>	When you take a hardship distribution, your contributions to the Savings Plan will be suspended for at least 6 months.
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In order to make the distribution, your investment portfolio will be liquidated pro-rata based on their market values at the time of the distribution (except that distributions to Section 16b officers and employees will first be made, to the maximum extent possible, out of all investment media other than Merck Common Stock).

In-service distributions will be made as soon as administratively feasible after you contact Fidelity.

When you take a distribution, you'll owe taxes on any money you receive other than your own after-tax and pre-EGTRRA Catch-Up Contributions. Pre-EGTRRA catch-up contributions are special after-tax amounts permitted by the Savings Plan before 1995 (pre-EGTRRA catch-up contributions are unrelated to the catch-up contributions described in the Catch-Up Contributions section). You already paid taxes on these after-tax dollars before they went into the Savings Plan. You may also owe an additional 10% "early withdrawal" tax. See [A Word About Taxes](#).

Keep these general distribution rules in mind as we review limitations related to the type of distributions permitted while you are an employee.

**Distributions of After-Tax Contributions**—As long as you adhere to the rules above, you may receive part or all of your after-tax contributions and post December 31, 1989 Company Matching Contributions for any reason. Remember, all Company matching contributions made on or after January 1, 1990, are subject to after-tax distribution rules, while Company matching contributions made before then are subject to the same distribution rules as the employee contributions they matched.

**Distributions of Pre-Tax Contributions**—If you become disabled (as determined by eligibility for benefits from the Long-Term Disability Plan), or have reached age 59½, you may receive all or part of your pre-tax contributions and Company matching contributions.

### **Hardship Distributions**

Under certain circumstances, part of your account is distributable to you prior to termination of your employment only if you have a hardship. Generally, in-service distributions of your pre-tax contributions are not permitted by federal law unless you:

- Have a severe financial hardship (as described below);
- Are 59½ or older; or
- Are disabled as determined by eligibility for benefits under the Long-Term Disability Plan. See [Your Long-Term Disability Benefits SPD](#).

In addition, if you have been participating in the Savings Plan for less than five years, you cannot receive a distribution of the Company matching contributions that were made during the last two years unless you have a



severe financial hardship. “Financial hardship” refers to a substantial and immediate financial need. Such distributions cannot exceed the amount needed to meet the expense involved. To qualify, you must first take all other distributions and loans available under the Savings Plan and other Company plans.

Requests for hardship distributions must be made to Fidelity (see [Contact Information](#)), which will provide you with procedures regarding the information you must provide to document your hardship and the process required. You must submit the application and the required documentation to Employee Services who will relay your request to the Employee Benefits Committee (or its designate). The Employee Benefits Committee makes the final determination regarding the existence of a financial hardship in accordance with Savings Plan guidelines. The Employee Benefits Committee determines your need through non-discriminatory and objective standards it has established. Here are the only situations that qualify for financial hardship:

- Purchase or construction (excluding mortgage payments) of your principal residence;
- Prevention of eviction from or foreclosure of your principal residence;
- To obtain certain medical services for, or on account of unreimbursed medical expenses incurred by you, your spouse, or your dependents;
- Payment of tuition, related educational fees and room and board expenses for the next 12 months of post-secondary education for you, your spouse, or your dependents; or
- Severe financial hardship, which if not alleviated, would cause you imminent financial collapse or personal bankruptcy. You must exercise any vested stock options prior to applying for a hardship distribution under this situation.

The maximum hardship distribution is the sum of your pre-tax contributions before January 1, 1989, plus their earnings as of that date (called the “frozen amount”), plus pre-tax contributions made after that date. But if investment losses reduce your pre-tax contributions below the frozen amount, Company Matching Contributions subject to pre-tax distribution rules may be used to increase (up to the frozen amount) the pre-tax contributions available for distribution. If you have participated in the Savings Plan for less than five years, Company matching contributions made within the last two years also may be included in a hardship distribution. Details of the requirements and applicable procedures (including important limitations) are available from Employee Services. If you are permitted a hardship distribution:

You may not contribute to the Savings Plan or any other Company plan other than a health or welfare plan for six months (12 months for hardship distributions prior to 2002); and

You may not exercise—other than through a cashless exercise—any stock option under any Company incentive or stock option plan for the next six months (12 months for hardship distributions prior to 2002).

Note that the Internal Revenue Code requires these restrictions in exchange for the special tax advantages of your pre-tax contributions. If you take a hardship you may owe a 10% penalty tax plus regular income tax on the taxable amount distributed. See [A Word About Taxes](#).

## **Loans**

A loan can be an alternative to taking a distribution. The minimum loan is \$500, which must be 50% or less of your account balance as of the loan valuation date. The maximum loan is the lesser of:

- \$50,000 (minus the highest outstanding loan balance, if any, during the one-year period prior to the new loan application); and
- 50% of your account balance, minus any current outstanding loan balance.

To apply for a loan, you need to contact Fidelity. See [Contact Information](#). For loans other than home loans, if you agree to the terms of the loan, Fidelity will send the appropriate paperwork, which will incorporate a promissory note, an irrevocable authorization for payroll deductions, Truth-in-Lending disclosure, and any other required agreement. Fidelity also will send you the loan proceeds. For home loans, the Employee Benefits Committee approves such loans but has designated Employee Services to review your documentation to ensure that you qualify for a home loan. If the loan qualifies as a home loan, Fidelity will be instructed to send you the appropriate forms and loan proceeds. Proceeds are distributed as soon as administratively feasible.



Loans are made only to active employees. The Savings Plan permits no more than one home loan and two other loans to be outstanding at any time. Loans may not be refinanced.

The interest rate on loans is one percent plus the JP Morgan Chase Prime Rate, rounded-up to the nearest half percentage point, on the 27th day of each month, (the next business day, if the 27th is not a business day) effective for loan requests processed by Fidelity in the second month following the date the rate is set. For example, the rate fixed on January 27 applies to all loan requests received by Fidelity during the month of March.

You repay your loan by payroll deductions over a period of up to five years. (You can have up to 30 years to repay a loan used to buy your principal home.) Your loan may be repaid in full or in part without penalty. Repayments are invested in the same way as your other Savings Plan contributions at the time of repayment. You should note that loan repayments do not reduce your taxable income the way pre-tax contributions do. When you receive a distribution, the amounts you paid as principal (unless the source of your loan was your after-tax contributions) and interest will be taxable. That means that you have to pay tax on the amount you repay, and then again when that amount is distributed to you. In addition, your account balance will be liquidated to the extent necessary to provide the proceeds of your loan, so you will not fully be invested in the market while any amount of your loan is outstanding.

The Employee Benefits Committee has adopted guidelines—in keeping with governmental regulations—which govern all material terms of a loan. These guidelines include the following:

- A loan may only be secured by up to 50% of your account balance.
- You are considered to have defaulted on your loan if a payment is not received by the 60th day following the monthly due date or if full repayment is not received within 45 days after termination of employment.
- If you default on a Savings Plan loan, the entire outstanding balance will be reported to the IRS as a distribution. However, for loans made after December 31, 1998, the loan (and accrued but unpaid interest) to the extent attributable to your pre-tax contributions will continue to count towards the maximum loan amounts described earlier and the maximum number of loans available.
- If you default on a loan, you may not apply for another Savings Plan loan for three years after the default. If you default on more than one Savings Plan loan, you may never have another Savings Plan loan.

If you leave the Company before your loan is fully repaid, your final distribution will consist of the value of your account not including the outstanding loan principal. For tax purposes, the value of your account including the outstanding principal will be treated as a distribution from the Savings Plan. If you do not elect a final distribution at termination, you must repay your loan in full within 45 days of your termination of employment or the outstanding loan balance will be reported to the IRS as a distribution.

## **Receiving a Final Distribution**

When your employment terminates with the Company and all its affiliates, you may, and in some circumstances must, receive a distribution of your account balance, as described in this section. Distributions normally are in the form of cash, but you may request distributions from the Merck Common Stock Fund in the form of Merck Common Stock.

If your account balance is \$5,000 or less (disregarding any Rollover Contributions you have made to the Plan), a single distribution in cash will be made to you automatically soon after your employment terminates. If your account balance is more than \$5,000, you may choose to leave it in the Savings Plan or to receive your account balance in:

- A lump sum; or
- A series of annual installments (not to exceed 10).

If you leave your account balance in the Savings Plan, you may continue to reallocate your investments (see [Reallocation of Account Balances](#)), but you may not receive a partial distribution or obtain a loan. When you reach age 65, if your employment has terminated, your account balance automatically will be distributed to you in a lump sum unless you are then receiving installment payments. You must complete a form (available through Fidelity, see [Contact Information](#)) to elect installment payments. Fidelity must receive this form prior to distribution of your



account. Participants who terminate employment must contact Fidelity directly to arrange for a distribution. Distributions will be made as soon as administratively feasible following completion of the process necessary to make the final distribution.

### **Your Responsibility to Review Information**

The Company and Fidelity know how important the Savings Plan is to you and we take our responsibility to follow your directions very seriously. A number of safeguards are built into a variety of different systems to assure that the Savings Plan is properly administered. Nevertheless, despite our best efforts, on rare occasions errors can and do occur. You can help minimize the effects of any error on your own accounts by carefully and promptly reviewing your payroll checks and any statements Fidelity sends to you.

If you disagree with any information provided to you, you should immediately contact the Merck Benefits Service Center. See [Contact Information](#). The Merck Benefits Service Center will investigate your claim, and if it is determined that any error made was the result of an improper act or omission by the Company or Fidelity, all reasonable steps to correct the error will be taken. For example, if a payroll deduction is, through no fault of your own, omitted for a given month, you would be permitted to make double pre- or after-tax contributions in the following month, and the Company Matching Contribution would also be doubled. In no event, though, will the Company make up any lost earnings (or reduce contributions by any losses). In addition, you must contact the Merck Benefits Service Center within six months of your receipt of information from which you should have been able to determine that an error has been made, including payroll stubs and Fidelity statements. If you do not do so, the Company and Fidelity will conclusively presume that no error has been made.

### **Historical Account Information**

If a participant requests detail of the amount of his/her account for a period earlier than the current calendar quarter, the Savings Plan may, not more than once each Plan year, provide the following:

- For any time after December 31, 1989, not more than two statements in total for any two days, two quarters, or a combination of one quarterly and one daily statement; or
- For any time prior to January 1, 1990, up to two quarterly statements, provided the participant demonstrates extraordinary circumstances justifying such statements.

The Savings Plan will not provide any participant with more than two such statements on request during any Plan Year. Moreover, the Plan has no obligation to retain historical records for the benefit of participants and in the absence of extraordinary circumstances, the Plan is not obligated to provide any participant-specific data for any period prior to January 1, 1990.

### **A Word About Taxes**

While money remains invested in your account, you postpone taxes on:

- pre-tax contributions and Catch-Up Contributions;
- Company matching contributions; and
- All earnings.

At the time you receive a distribution, you'll owe taxes on this money. after-tax contributions in your account are taxed before they are deposited in the Savings Plan, so these dollars are not taxable when you receive them. Current law requires the Company to withhold 20% of most distributions unless you elect a direct rollover. A direct rollover is a payment made directly from the Savings Plan to another qualified retirement plan or IRA. When you elect a direct rollover, a check made out to the other qualified retirement plan or IRA will be delivered to you, and it is your responsibility to forward the check to the new plan or IRA. The Company receives a deduction for all contributions made to the Savings Plan.



## **Taxation of Benefits**

Tax laws can be complex—and they are subject to change—so any interpretation must be based on the laws then in effect. You are not required to pay current federal income taxes on your Savings Plan benefits until you receive them. When you receive your Savings Plan benefits in annuity form, you will owe current federal taxes. Unless you elect otherwise, federal income tax will be withheld from your annuity payments as if they were wages. If you receive a lump sum payment from the Plan and roll this money over into another Qualified Plan, 403(b) plan, governmental 457 plan or special rollover account, you will not owe federal income taxes on the amount that you roll over. See [Rollover Rules](#) below.

You may also owe a 10% excise tax if your Plan benefits are paid to you in a lump sum before age 59½ and you terminate employment before the beginning of the year in which you reach age 55. This 10% tax does not apply in certain circumstances, so be sure to review any proposed distribution with your tax advisor.

Current IRS regulations also allow certain tax advantages for a lump-sum distribution. Whether these tax alternatives will help you depends on your personal tax situation and the size of your benefit payment. For answers to these questions, you should consult your tax advisor. In connection with a distribution from the Savings Plan, you should receive a Special Tax Notice providing additional details of the rules as then in effect. Be sure to carefully review the notice with your tax advisor before taking any distribution.

## **Rollover Rules**

If you receive a lump sum distribution from the Plan, you may directly transfer your distribution to an IRA, another qualified plan, 403(b) plan or governmental 457 plan that will accept the transferred amount. Your payment must be at least \$200 if you elect to transfer the entire amount of the distribution. If you only want to transfer a portion of your distribution, the portion that you transfer must be at least \$500. If you do not elect a direct transfer, federal income tax will be withheld. As required by law, the amount to be withheld is 20% of the taxable portion of the distribution. You will be given additional information on the direct transfer option when you terminate employment and are ready to receive a distribution.

You are still permitted to make a rollover of the distribution you receive to an IRA, a qualified plan, 403(b) plan or governmental 457 plan that will accept the rollover if you do this within 60 days of the date you receive the distribution. However, if you elect the rollover option, withholding will still be applied at the 20% rate. The only way for participants to avoid federal income tax withholding on the distribution is to elect the direct transfer option.

Regardless of the amount of federal income tax withheld on your distribution (if any), you will be responsible for payment of any taxes associated with the distribution. For some individuals, withholding at 20% will be sufficient to pay the tax on a distribution. For others, the 20% rate will be excessive and you may be entitled to a refund on your tax return filed for the year of the distribution.

How you are taxed depends on the type of distribution you receive, your relationship to the participant, and your financial status when payment is made. Since federal, state and local tax laws change from time to time, you should consult your tax advisor about the consequences of any distribution or withdrawal. In connection with a distribution from the Plan, you should receive a Special Tax Notice providing additional details of the rules as then in effect. Be sure to carefully review the notice with your tax advisor before taking any distribution.



The following chart summarizes the contribution and distribution possibilities under the Savings Plan—and highlights the tax consequences.

<b>Comparison of Pre-Tax and After-Tax Money</b>		
<b>Your Contributions Today...</b>	<b>Pre-Tax Contributions</b>	<b>After-Tax Contributions</b>
Your Contributions	2% to 15% of base pay plus COLA (only Non-Highly Compensated Employees may contribute up to 25% of base pay plus COLA ) up to the limit as indexed. See <u>Pre-Tax Contributions Option.1</u>	2% to 15% of base pay plus COLA. Only Non-Highly Compensated Employees may contribute up to 25% of base pay plus COLA.1
Company Matching Contribution	\$0.65 for each \$1 you contribute of your first 6% of base pay plus COLA per pay period. You immediately have a vested right to the Company match.	
Taxes on Your Contribution	You do not pay federal income taxes on your contributions; federal taxable income is reduced by the amount of contributions.	You pay taxes on your contributions before they go in the Savings Plan.
<b>Tomorrow...</b>	<b>Pre-Tax Contributions</b>	<b>After-Tax Contributions</b>
Access to Your Contributions While You're Working	You may take a distribution of only some or all of the contributions if you have a financial hardship under IRS rules or if you are at least age 59½ or disabled.	You can take a distribution of some or all of your contributions.
	You can borrow up to the lesser of 50% of your account balance minus any current outstanding loan, or \$50,000 minus the highest outstanding loan balance in the past year.	
Taxes on Distributions While You're Working	Entire amount taxable as ordinary income <sup>2</sup> You may defer taxes by rolling amount over into a Qualified Plan or IRA.	Company Matching Contributions and all earnings are taxable (unless you defer taxes by rolling over into a qualified plan, IRA). Your contributions are not taxable.
<b>at Retirement...</b>	<b>Pre-Tax Contributions</b>	<b>After-Tax Contributions</b>
Timing of Your Payment	Anytime after your employment ends (or you become disabled)—but required at age 65.	
Types of Savings Plan Payments	- Single lump sum cash payment ; or - Annual installment payments (not more than 10).	
If Single Cash Payment	Your contributions, Company matching contributions, and all earnings are taxable (unless you defer taxes by rolling amount over into a qualified plan or IRA).	Company matching contributions and all earnings are taxable (unless you defer taxes by rolling amount over into a qualified plan or IRA). Your contributions are not taxable.
If Installment Payments	Taxable as ordinary income; if fewer than 10 annual installments taken, may be rolled over into qualified plan or IRA.	Company matching contributions and all earnings are taxable as ordinary income. If fewer than 10 annual installments taken, may be rolled over into qualified plan or IRA. Your contributions are not taxable.
<sup>1</sup> Remember, if you contribute on both a pre-tax and after-tax basis, your total contributions may not exceed 15% (25% for non-highly compensated employees) of base pay plus COLA in the aggregate. <sup>2</sup> There may be a 10% penalty tax. See <u>Additional Tax</u> .		

Please note that the previous discussion of taxation greatly simplifies complicated statutory and regulatory provisions, and does not constitute tax advice. In addition, the discussion is based on our understanding of the tax laws as in effect on January 1, 2005, which are subject to change at any time without notice.



## **Filing a Claim**

When you terminate employment with the Company and its subsidiaries, you'll need to complete certain forms to receive your Savings Plan benefit. You'll also receive a statement of the benefit amount you are entitled to receive, or if you are not entitled to a benefit, you'll receive a statement of this fact. To receive forms, amount of benefits and guidance on retirement options, contact Employee Services. See [Contact Information](#).

You should apply for your retirement benefits at least six weeks before you want to start receiving them. Benefits begin automatically at age 65 if your employment has then terminated. If you do not receive a benefit that you (or your beneficiary) feel you are entitled to, or you dispute the amount or timing of your benefit, you may file a claim for benefits with the Claims Administrator at the following address:

Director, Benefits Services  
Merck & Co., Inc., CR-BS  
One Merck Drive, P.O. Box 100  
Whitehouse Station, NJ 08889-0100

## **Appealing a Claim**

You will receive a written notice from the Claims administrator or its delegate regarding your claim within 90 days of its receipt by the claims administrator. If an extension is required to process your claim, you will receive notice of the need for an extension (not to exceed an additional 90 days), before the end of the initial 90-day period, explaining the reasons for the delay. If you are not furnished notice within the 90-day period, your claim will be considered denied. If the claims administrator denies all or part of your claim, your notice will include:

- Specific reasons why the claim was denied;
- Specific references to applicable provisions of the Savings Plan document on which the denial is based;
- A request for any additional information required to reconsider the claim and an explanation of why this information is needed; and
- An explanation of how to appeal for reconsideration of the claims administrator's decision.

You have the right to review all documentation used in making a decision about your claim. If you disagree with the claims administrator's decision, you have 60 days after receiving the notice of the denial to file a written appeal to the claims administrator. To file a denied claim, send your written appeal (with supporting documentation) to:

Secretary, Employee Benefits Committee  
Merck & Co., Inc., WS 3B-35  
One Merck Drive  
P.O. Box 100  
Whitehouse Station, NJ 08889-0100

Your claim will be considered and you will receive written notice of the decision within 60 days after your appeal was received, unless special circumstances require an extension for reviewing, in which case written notice of such extension will be furnished to you before the expiration of the initial 60-day period. In that case, the decision will be made no later than 120 days after your appeal was received. This notice will include the reasons for the decision, with references to pertinent Plan provisions. If the decision on your appeal is not given to you within the applicable time period, your appeal will be considered denied. This procedure applies to you or any other person who has a right to benefits under the Savings Plan




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# Glossary

Following is an alphabetical listing of the definitions of key words.

<b>Glossary Terms</b>	
<b>After-Tax Contributions</b>	The amount that a participant contributes to the Savings Plan from his/her paycheck from the Company that does not reduce his/her compensation subject to federal income tax for the taxable year in which it is made.
<b>Base pay plus COLA</b>	For purposes of the Savings Plan, a participant's annual salary or base pay plus COLA from the Company before any deductions, taxes, or contributions elected. Overtime, shift differential, bonuses, incentives, separation, long-term disability payments and all other types of payments not specifically listed above are excluded.
<b>Beneficiary</b>	An individual, trust or estate designated by a participant in accordance with the terms and conditions of the Savings Plan to receive the participant's account balance upon the participant's death.
<b>Catch-Up Contributions</b>	Designed to provide eligible employees with an additional pre-tax retirement savings opportunity—on top of higher pre-tax contribution limits already available through the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA).
<b>Claims Administrator</b>	Merck & Co., Inc.
<b>COLA</b>	Cost of Living Allowance
<b>Company</b>	Merck & Co., Inc.
<b>Company Matching Contributions</b>	Contributions made by the Company to the Savings Plan that match a portion of pre-tax or after-tax contributions.
<b>Eligible Employees</b>	Employees of Merck represented by the Inter-Union Council.
<b>Employee Stock Ownership Plan</b>	Allows participants to decide how cash dividends on stock held in the Merck Common Stock fund will be paid. Participants may choose to reinvest dividends into their Merck Savings Plan Account or elect to receive cash dividends.
<b>Excluded Employees</b>	A person who is an independent contractor, or agrees or has agreed that he/she is an independent contractor, or has any agreement or understanding with the Company, or any of its affiliates that he/she is not an employee or an eligible employee, even if he/she previously had been an employee or eligible employee or are employed by a temporary or other employment agency, regardless of the amount of control, supervision or training provided by the Company or its affiliates, or he/she is a "leased employee" as defined under section 414 (n) of the Internal Revenue code of 1986, as amended. An excluded person is not eligible to participate in the Savings Plan even if a court, agency or other authority rules that he/she is a common-law employee of the Company or its affiliates.



Glossary Terms	
<b>Excluded Person</b>	A person who is an independent contractor, or agrees or has agreed that he/she is an independent contractor, or has any agreement or understanding with the Company, or any of its affiliates that he/she is not an employee or an Eligible Employee, even if he/she previously had been an employee or eligible employee or is employed by a temporary or other employment agency, regardless of the amount of control, supervision or training provided by the Company or its affiliates, or he/she is a “leased employee” as defined under section 414 (n) of the Internal Revenue code of 1986, as amended. An Excluded Person is not eligible to participate in the Savings Plan even if a court, agency or other authority rules that he/she is a common-law employee of the Company or its affiliates.
<b>Highly Compensated Employee</b>	<p>An employee of a Company who is considered a highly compensated employee according to the rules and limits of the Internal Revenue Code. Generally, the term means an employee who received at least \$85,000 in compensation from the Company or its affiliates during 2001 in respect of Plan Year 2002, or at least \$90,000 during 2002 in respect of Plan Year 2003. The compensation limits are indexed and can change over time. Please note that the determination is based on earnings as reported to the IRS, not on Base Pay.</p> <p>Only for the purpose of determining eligibility to contribute up to 25% to the Savings Plan, the determination is effective between March 1 and the last day in February rather than on a Plan year basis. For example, if an employee earned \$95,000 from the Company in 2002, the employee would be considered highly compensated between March 1, 2003 through February 29, 2004, even if the employee's compensation dropped below the applicable limit during 2003. For all purposes, such as discrimination testing, the determination applies on a Plan Year basis.</p>
<b>Inter-Union Council</b>	The following collective bargaining units: International Chemical Workers Union and its Locals 94 and 609; and Paper, Allied-Industrial, Chemical & Energy Workers International Union (commonly known as PACE) and its Locals 2-575 and 2-580; and The Union of Needletrades, Industrial and Textile Employees and its Local 1398
<b>LTD Benefits</b>	Income replacement benefits provided under the Merck & Co., Inc. Medical, Dental and Long-term Disability Plan for Union Employees or the Merck & Co., Inc. Medical, Dental and Long-term Disability Plan for Non-union Employees, as applicable.
<b>Merck</b>	Merck & Co., Inc.
<b>Non-Highly Compensated Employee</b>	An employee of the Company who is not a Highly Compensated Employee.
<b>Plan Administrator</b>	Merck
<b>Plan Year</b>	The calendar year, January 1 through December 31, on which the records of the Plan are kept.



<b>Glossary Terms</b>	
<b>Pre-Tax Contributions</b>	Amount contributed to the Savings Plan from a participant's paycheck from the Company, in accordance with Section 401(k) of the Internal Revenue Code, that is not includable in the participant's compensation subject to federal income tax when made.
<b>Prospectus</b>	A prospectus provides investors with a thorough description of a mutual fund. It explains the fund's objective, how it invests its money, and any fees and expenses associated with the fund.
<b>Qualified Domestic Relations Order</b>	An order from a state court that meets certain legal specifications and directs the Plan administrator to pay all or a portion of a participant's Plan benefits to his/her spouse, former spouse, or child or other dependent.
<b>Qualified Plan</b>	A plan that the Internal Revenue Service approves or is reasonably believed to be approvable by the IRS as meeting the requirements of Section 401(a) of the 1986 Internal Revenue Code
<b>Regular Full-Time Employee</b>	An employee employed by the Company in the United States on a scheduled basis for a normal work week, is not classified as Part-Time, Merck Temporary, or Casual, and is not an Excluded Person.
<b>Rehired Employee</b>	An Eligible Employee of the Company who previously was employed by the Company or an affiliate and who incurred a termination of employment.
<b>Rollover Contributions</b>	If you participated in a tax-qualified plan with a previous employer and received a pay-out from that plan, you may be permitted to contribute ("rollover") part or all of that pay-out (in cash) to your Savings Plan account.
<b>SPD</b>	Summary Plan Description
<b>Standard Benefits Program</b>	The Standard Benefits Program provides benefits under a variety of Merck-sponsored plans and programs. Benefits provided under the program include retirement and savings (401(k)) benefits, short-term disability coverage, travel accident insurance and separation pay.
<b>Transferred Employee</b>	An employee of the Company who changes employment from an Excluded Employee to become an Eligible Employee without an intervening termination of employment, whether by reason of change in employer, nature of employment, or otherwise.
<b>Vesting</b>	The portion of a participant's account balance that is not subject to forfeiture to the Company or the Savings Plan. A participant may retain the vested balance of his/her account balance if employment terminates. All contributions to the Savings Plan, including pre- & after-tax Contributions, catch-up contributions, rollovers and the Company's matching contributions, are always 100% vested.

FOR INFORMATION ABOUT...	CONTACT...	BY PHONE...	BY WEB...
<b>Merck Resources</b>			
	The Merck HR Service Center PeopleInfo	800-255-5794 or 908-236-1999	<a href="http://humres.merck.com/benefits">http://humres.merck.com/benefits</a> or <a href="http://www.merck.com/benefits">http://www.merck.com/benefits</a> <a href="http://peopleinfo.merck.com">http://peopleinfo.merck.com</a>
<b>Fidelity Resources</b>			
	Fidelity NetBenefits® Merck Benefits Service Center	800-66-MERCK	<a href="http://netbenefits.fidelity.com">http://netbenefits.fidelity.com</a>
<b>Medical Options</b>			
80/20 with optional PPO (PPO where available)	Aetna	800-541-6711	<a href="http://www.aetna.com">www.aetna.com</a>
Managed Choice® POS	Aetna	800-541-6711	<a href="http://www.aetna.com">www.aetna.com</a>
Aetna HMO DE/MD/NJ/NY/PA	Aetna	800-541-6711	<a href="http://www.aetna.com">www.aetna.com</a>
CIGNA HealthCare HMO NJ	CIGNA	800-832-3211	<a href="http://www.cigna.com">www.cigna.com</a>
Geisinger Health Plan PA	Geisinger Health Plan	800-447-4000	<a href="http://www.thehealthplan.com">www.thehealthplan.com</a>
Southern Health VA	Southern Health	800-627-4872	<a href="http://www.southernhealth.com">www.southernhealth.com</a>
<b>Hospitalization &amp; Surgical Pre-Certification and Second Opinions</b>	M-Line for 80/20 with optional PPO	800-451-8843	
<b>Employee Assistance and Behavioral Health Care Benefits</b>	ValueOptions	877-44-MERCK (877-446-3725)	<a href="http://www.achievesolutions.net/merck">www.achievesolutions.net/merck</a>
<b>Prescription Drug Benefits</b>			
General Information	Medco	800-RX-MERCK (800-769-3725)	<a href="http://www.medcohealth.com">http://www.medcohealth.com</a>
Medco Health	Medco	800-803-2523	<a href="http://www.medcohealth.com">http://www.medcohealth.com</a>
Managed Prior Authorization	Medco	800-RX-MERCK (800-769-3725)	<a href="http://www.medcohealth.com">http://www.medcohealth.com</a>
<b>COBRA (Continuation of Health Care Coverage)</b>	Fidelity NetBenefits®	800-66-MERCK (800-666-3725)	<a href="http://netbenefits.fidelity.com">http://netbenefits.fidelity.com</a>
<b>Vision Care Benefits</b>	Vision Service Plan (VSP®)	800-877-7195	<a href="http://www.vsp.com">http://www.vsp.com</a>
<b>Vision One® Discount Program</b>	Aetna	800-541-6711	<a href="http://www.aetna.com">www.aetna.com</a>
<b>Dental Benefits</b>			
Comprehensive Dental	Aetna	800-541-6711	<a href="http://www.aetna.com">www.aetna.com</a>
Aetna DMO®	Aetna	800-541-6711	<a href="http://www.aetna.com">www.aetna.com</a>
Healthplex	Healthplex	800-982-5529	<a href="http://www.healthplex.com/">www.healthplex.com/</a>
<b>Other Benefits</b>			
Long-Term Disability Benefits	MetLife	800-243-8786	<a href="http://www.metlife.com">http://www.metlife.com</a>
Life Insurance Benefits	Prudential	888-257-0412	<a href="http://www.prudential.com">http://www.prudential.com</a>
Savings Plan	Fidelity	800-66-MERCK (800-666-3725)	<a href="http://www.401k.com">http://www.401k.com</a>
Retirement Plan Estimates	PeopleInfo		<a href="http://peopleinfo.merck.com">http://peopleinfo.merck.com</a>
Investment Advisor	Financial Engines®	888-443-8577	<a href="http://www.financialengines.com">http://www.financialengines.com</a>
Stock Options	Smith Barney	866-37-MERCK (866-376-3725)	<a href="http://www.benefitaccess.com">http://www.benefitaccess.com</a>
Qualified Domestic Relations Orders	Domestic Relations Hotline	908-423-7962	
Qualified Medical Child Support Orders	The Merck HR Service Center	800-255-5794	<a href="http://humres.merck.com/benefits">http://humres.merck.com/benefits</a> or <a href="http://www.merck.com/benefits">http://www.merck.com/benefits</a>
Work/Life Benefits & Resources	LifeWorks®	800-635-0606	<a href="http://www.lifeworks.com">http://www.lifeworks.com</a>

Printed 04/2005