



Merck & Co., Inc.  
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August 2008

## Upcoming Changes to the Merck Savings Plan

Dear Merck Savings Plan Participant:

In August 2008, two changes will be made to the Employee Savings and Security Plan for Salaried Employees and the Employee Stock Purchase and Savings Plan for Hourly Employees ("the Plan") that may affect you.

- The first change is a reduction in fees for the *American Funds® EuroPacific Growth Fund®*.
- The second change is an increase in the amount that "Highly Compensated Employees" (HCEs) may contribute to the Merck Savings Plan—from 15% to 25%. This change means **all** participants may now contribute up to 25% of base compensation (includes COLA for union employees). Information provided later in this communication explains how to maximize your contributions and Company match.

### **AMERICAN FUNDS® EUROPACIFIC GROWTH FUND®**

The American Funds® EuroPacific Growth Fund® will change from a *Retail Share Class (Class A)* to an *Institutional Share Class (Class R5)* of the same fund. This change will reduce the expense ratio from 0.79% to 0.55%—reducing fees for participants who are invested in the fund. It is important to note that as a different share class of the same underlying fund, the investment objectives, underlying investments, and portfolio management of the new Class R5 option are the same as those of the Class A option.

We expect that on or about August 18, 2008\*, after the close of the market at 4:00 P.M. Eastern time, existing balances in, and future contributions to, the American Funds® EuroPacific Growth Fund® – Class A will be transferred to the American Funds® EuroPacific Growth Fund® – Class R5. **You do not need to take any action unless you want to change your current elections prior to August 18<sup>th</sup> to avoid transfer to the American Funds® EuroPacific Growth Fund® – Class R5.** You may access your account as described at the end of this letter. For more detailed information about the American Funds® EuroPacific Growth Fund® – Class R5, please refer to the fund description included with this letter or request a fund prospectus.

### **EMPLOYEE CONTRIBUTION PERCENTAGE**

Effective August 18, 2008, the Merck Savings Plan's maximum employee contribution percentage will increase from 15% to 25% of base compensation for Highly Compensated Employees. The IRS annually sets the compensation level, which generally includes base pay, bonus and overtime that defines HCEs (\$100,000 for 2008). Increasing the maximum contribution percentage will allow HCEs to contribute more pre- and after-tax income toward retirement savings. **Please note that non-highly-compensated employees are already permitted to contribute up to 25% of base compensation.**

*\*Please note that a reallocation of assets depends on the timely liquidation of those assets. A delay in liquidation may result in a change to the expected transaction dates.*

The 15% maximum helped ensure that the Merck Savings Plan satisfied regulations regarding non-discrimination. However, Merck currently estimates that the Savings Plan should pass applicable tests if HCEs are allowed to contribute up to 25% of base compensation (within IRS limits). The Company will continue to monitor Plan participation levels. And, if necessary, Merck will limit HCE contributions in the future to ensure continued compliance with applicable law, and will notify any affected participants.

### **Choosing Your Contribution Amount**

When you contribute to the Merck Savings Plan, the Company matches a portion of every dollar you save from each paycheck, up to 6%. The plan allocates Company matching contributions only for the pay periods during which you contribute to the Plan. Therefore, it is important to note that if you stop contributing to the plan (by choice or because you hit an IRS limit), the Company matching contributions to your account will stop as well. **To ensure you maximize your Company match, you must contribute at least 6% of your base salary from every paycheck throughout the year, giving consideration to IRS limits.**

#### **IRS Limits**

- "*Section 401(k) Limit*" - When your pre-tax contributions reach \$15,500 (in 2008), contributions stop if you elected to make only pre-tax contributions. If you elected to continue making contributions in excess of the Section 401(k) Limit on an after-tax basis, then this limit does not restrict overall contributions.
- "*Annual Compensation Limit*" - When your base compensation reaches this amount during the year, all contributions and Company match will be stopped. This limit is \$230,000 for 2008.
- "*Section 415 Limit*" - When the sum of your contributions (pre- and after-tax) plus the Company match reaches \$46,000 (in 2008), all contributions and Company match will be stopped. This means that your own contributions can keep you from getting the Company match. Note that with the increase in the HCE contribution limit from 15% to 25%, this limit now may be a consideration when determining how much you contribute.

**If your goal is to maximize your pre-tax and Company matching contributions**, you should be contributing at a rate that spreads your contributions throughout the entire year or until your base compensation exceeds the Annual Compensation Limit.

**If your goal is to maximize both your pre- and after-tax contributions without sacrificing Company match**, and your total base compensation pay exceeds \$155,932 in 2008, you will need to limit your contributions to less than 25% in order to avoid being restricted by the Section 415 Limit and missing out on Company match. In addition, you may need to contribute on an after-tax basis if you will hit the pre-tax limit in a given year.

For example, if your annual base pay is \$187,000 and you elect to contribute 25%, your contributions and the associated Company match will be cut off at the end of October. This means that you will forfeit two months of Company match (about \$1,400) that you would have received had you elected to contribute 20% for the entire year. In this case, a 20% contribution maximizes both your contributions and your Company match.

### **Use the *Merck Savings Plan Contribution Calculator***

The *Merck Savings Plan Contribution Calculator* can assist you in determining the optimal contribution amounts for either goal. You may access the *Merck Savings Plan Contribution Calculator* through Fidelity NetBenefits (located under *News*, which is on the right side of the Fidelity NetBenefits home page after you have logged on).

## Review Your Investments

As always, the Company strongly encourages you to review your Merck Savings Plan account and to consider diversifying your investments.

It is important to note that most financial advisors discourage investing too much of your funds in the stock of any one company, including your employer's stock. As an undiversified fund, the Merck Common Stock Fund is subject to greater risk of price fluctuation than any other fund offered by the Plan.

Neither diversification nor asset allocation ensures a profit or guarantees against loss.

To view your account, request changes to your account, or obtain additional information, log on to NetBenefits at <http://netbenefits.fidelity.com>. You can also make changes by calling the Merck Benefits Service Center at 800-66-MERCK (1-800-666-3725). Representatives are available Monday through Friday (excluding New York Stock Exchange holidays) between 8:30 a.m. and midnight Eastern time.

Sincerely,



Mary A. Weber  
HR Leader, Global Benefits

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***Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this and other information, call or write Fidelity for a free prospectus. Read the prospectus carefully before you invest.***

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

The investment options available through the plan reserve the right to modify or withdraw the exchange privilege.

The Plan is intended to be a participant-directed plan as described in Section 404(c) of ERISA, which means that fiduciaries of the Plan are ordinarily relieved of liability for any losses that are the direct and necessary result of investment instructions given by a participant or beneficiary.

Unless otherwise noted, transaction requests confirmed after the close of the market, normally 4 p.m. Eastern time, or on weekends or holidays, will receive the next available closing prices.

*This letter constitutes a summary of material modifications that describes important changes to the Merck Savings Plan. You should keep it together with the Summary Plan Description of your Savings Plan. This brochure 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. 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 requirements of an applicable collective bargaining agreement. Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity, or go online to Fidelity NetBenefits at <http://fidelity.netbenefits.com> for a free prospectus. Read it carefully before you invest.*

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 100 Summer Street, Boston, MA 02110

## Fund Descriptions

American Funds® EuroPacific Growth Fund® - Class R5

<b>FPRS Code:</b>	OQVQ
<b>VRS Code:</b>	46088
<b>Category:</b>	International/Global
<b>What It Is:</b>	A growth mutual fund that invests internationally.
<b>Goal:</b>	To increase the value of your investment over the long term through capital growth.
<b>What it invests in:</b>	Primarily in stocks of companies that do most of their business outside the United States. Normally, at least 80% of the fund's total assets will be invested in securities of companies from Europe or the Pacific Basin. The fund can invest in many types of companies, ranging from large multinational corporations located in major world markets, to smaller companies located in developing countries. Developing (or emerging market) countries may be subject to more frequent and greater price changes than securities of more developed countries. Foreign investments, especially in developing countries, involve greater risk and may offer greater potential returns than U.S. investments. These risks include political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations. There are additional risks associated with those funds that concentrate their investments in one geographic location. Share price and return will vary.
<b>Who may want to invest:</b>	<ul style="list-style-type: none"><li>- Someone who is comfortable with the investment risk and potential rewards involved in investing overseas, especially in developing countries, as well as with the investment risk involved in any growth mutual fund.</li><li>- Someone who wants to complement the performance of U.S. investments with that of investments overseas, which may behave quite differently.</li></ul>

Managed by Capital Research and Management Company, which provided the description for this fund.

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