Your Retirement Benefits

[SALARIED EMPLOYEE VERSION]

This Summary Plan Description (SPD) describes the Merck & Co., Inc. Retirement Plan, which is part of the Merck Standard Benefits Program. It applies to:

- Non-union employees of Merck & Co., Inc., Merck Holdings, Inc., Merck and Company Incorporated, KBI Enterprises, Inc., Rosetta Inpharmatics LLC and Merck Liability Management Company and former non-union employees of those entities who continue to have an accrued benefit under the Retirement Plan."

This SPD does not apply to employees of the following except to the extent that they may also be former eligible employees of the Company with an accrued benefit under the Retirement Plan:

- MedcoHealth Solutions, Inc. (formerly, Merck-Medco Managed Care, L.L.C.);
- TELERx Marketing, Inc.;
- Employees of foreign subsidiaries of Merck & Co., Inc., (unless specifically indicated otherwise);
- Employees of joint ventures with Merck & Co., Inc.;
- Union employees of Merck & Co., Inc., including but not limited to those who are members of the following collective bargaining units: Graphic Communications Local 4C; International Brotherhood of Teamsters, Local 107; International Union of Operating Engineers and its Local 68; Merck Independent Union; The Inter-Union Council comprised of the following collective bargaining units: International Chemical Workers Union and its Locals 94 and 609; Paper, Allied-Industrial, Chemical & Energy Workers International Union (commonly known as PACE) and PACE Locals 2-575, 2-580 and 2-86; and UNITE;
- Former union employees of Merck & Co., Inc., who are members of those collective bargaining units (listed above) when they were employed by Merck & Co, Inc., and who are considered to be "retirees."

Merck reserves the right to amend the Retirement Plan in whole or in part or completely discontinue the Retirement Plan at any time.

This SPD reflects provisions of the Retirement Plan in effect as of January 1, 2003.

Terms that are frequently used in this SPD are defined in the Glossary. The first time a term defined in the Glossary is used on a page, it is in bold type.

Contents

About Your Retirement Benefits

The About Your Retirement Benefits section provides you with important information about eligibility and enrollment and other administrative details. The following section, The Retirement Plan, provides more detail about the amount of benefits under the Retirement Plan, and when and how benefits are paid.

Overview

The **Merck** Benefits Program is an important part of your compensation. One of the primary goals of the program is to provide an umbrella of financial protection for you and your family against substantial economic loss as well as provide a level of economic security. To accomplish this goal, Merck provides you with a comprehensive package of benefits that responds to many of your needs in a variety of ways. The Merck Benefits Program consists of:

- The **Flexible Benefits Program**;
- The **Standard Benefits Program**; and
- The **Retiree Choice Program**.

The Standard Benefits Program provides benefits, in general, at no cost to you. The Standard Benefits Program includes the Retirement Plan. The Retirement Plan is designed to help you invest in the future and prepare for retirement income needs.

Key Point

In addition to the Retirement Plan, Merck offers the Savings Plan to help you invest for the future and prepare for retirement income needs. See Your Savings Benefits **SPD**.

Through the Retirement Plan, you receive pension benefits when you retire. The amount of your payments is based on:

- Your compensation;
- Your length of service with the **Company**;
- Your **Social Security Benefits**; and
- Your age when you retire.

The Retirement Plan allows you the opportunity to select among available payment methods to choose the one you want.

Eligibility

Through the Standard Benefits Program, you will participate in the Retirement Plan if you are an **Eligible Employee**. Eligibility depends on your employment status.

For Employees

The following chart describes when (or if) you are eligible to participate in the **Retirement Plan**.

About Eligibility and Participation				
Employee Status	**On Your Date of Hire**	**On January 1 or July 1 Coinciding with or Following Your Date of Hire**	**Participation for Eligible Dependents**	**Cost**
• **Regular Full-Time Employee** • **Part-Time Employee** • **Merck Temporary Employee** • **Casual Employee**	No participation	You are automatically enrolled for participation on the January 1 or July 1[1] coinciding with or next following your date of hire.[3,4]	No participation	There is no cost to you.
• **Rehired Employee[1]**	If you previously participated in the Retirement Plan, you are automatically re-enrolled for participation on the first of the month coincident with or next following your date of re-employment.**[2]**	If you did not previously participate in the Retirement Plan, you are automatically enrolled for participation on the January 1 or July 1 coinciding with or next following your date of re-employment.	No participation	There is no cost to you.
• **Transferred Employee**	If you previously participated in the Retirement Plan, you are automatically re-enrolled for participation on your date of transfer.	If you did not previously participate in the Retirement Plan, you are automatically enrolled for participation on the January 1 or July 1 coinciding with or next following your date of transfer.	No participation	There is no cost to you.
• **Excluded Employee**	No participation	No participation	No participation	N/A
• **Excluded Persons**	No participation	No participation	No participation	N/A

[1]If you are hired by January 5th or July 5th, for Retirement Plan purposes only, participation will be deemed to have occurred beginning on the prior January 1st or July 1st, respectively.

[2]If you leave the **Company** and are rehired, you are eligible to participate in the Retirement Plan. For more information about participation and vesting service for rehired employees, see If You Are Rehired.

[3]For example, if you begin working for the Company on December 3, you may begin participation in the Retirement Plan as of the following January 1. If you begin working for the Company on April 3, you may begin participation as of the following July 1.

[4]If you are not an **Eligible Employee** when you are first hired, but you become eligible for the Retirement Plan at a later date (for example, you have a change in your job classification from an hourly paid employee to a salaried employee) or you were participating in another Company-sponsored retirement plan before you became an eligible employee under the Retirement Plan, your participation in the Retirement Plan begins immediately.

As described in the chart, "leased employees" (that is, generally employees who work for another company, such as an employment or payroll service company, that provides services to a Company) do not participate in the Retirement Plan. For leased employees who provide services on a substantially full-time basis to a Company for at least one year and who later become **Employees** of a Company, service as a leased employee (that is, service after the first full year of substantially full-time service) does count for purposes of eligibility and vesting to the extent required by law, but not benefit accrual. That means you do not receive **Credited Service** for the service you perform as a leased employee.

Enrollment

Eligible Employees are automatically covered and do not need to enroll for participation.

Paying For Benefits

The **Company** funds the trust that provides benefits under the **Retirement Plan**. Participant contributions are not allowed.

Taxation of Benefits

You do not pay federal income taxes on your Retirement Plan benefits until you receive one or more distributions from the Retirement Plan.

When received, distributions are taxed according to federal, state and local law as then in effect. These laws are extremely complicated and depend upon a number of factors, including but not limited to the participant's age, timing and circumstances of employment termination, form of benefit, relationship to the participant in the case of distributions to a **Beneficiary**, and even distributions received from other qualified plans. The laws have been revised numerous times over the past several years and are subject to change in the future. So, you will receive the tax information as required by the Internal Revenue Service in connection with your receipt of a distribution from the Retirement Plan. At that time, you should carefully consider seeking professional financial and tax guidance before you decide when and how to take your distribution.

When Participation Begins

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

When Life Changes

When life changes occur (e.g., if you are rehired, become disabled or die), your benefits may be affected.

Changing Coverage During the Year

You will accrue credited service in the Retirement Plan from the date you begin participating in the Retirement Plan (January 1 or July 1) until you are no longer eligible to participate (see When Participation Ends). **Permitted Plan Changes** do not apply to the Retirement Plan.

If You Are Rehired

If you leave the **Company** and are rehired, you automatically begin participation in the Retirement Plan on the first of the month coincident with or next following your date of rehire. If you were **Vested** at the time you left the Company, you will automatically be vested in any additional benefits you earn after you return to work. If you were not vested before you left, and your termination occurred on or after January 1, 1976, and you were subsequently rehired, you will receive vesting and credited service for that prior period and for your subsequent service. However, a participant whose employment began before January 1, 1973, and who terminated employment before that date when not vested does not receive credit for the prior service for vesting purpose if he/she is rehired after December 31, 1972.

If you are receiving monthly pension benefits under the Retirement Plan and you are rehired as an Eligible Employee at a later date and you work at least eight days per month, your pension payments will be suspended and your participation in the Retirement Plan resumes (you will receive a suspension of benefits notice). Once again, you begin accruing pension benefits based on your earnings and service after reemployment. When you subsequently retire, your pension benefit will be calculated under the pension formula then in effect, using your pay and **Credited Service** as of your later retirement date. Your pension benefit, however, will be reduced by the actuarial equivalent of the pension benefit you had received prior to your rehire and prior to age 65. In no event will the pension amount payable upon subsequent retirement be less than the amount at your initial retirement. Because actuarial equivalents are used for benefits that may have included early retirement subsidies, it is possible that former retirees will not earn any additional pension benefits even though they earn additional credited service after being rehired.

If you continue to work past your **Normal Retirement Age**, payment of your pension will be suspended until your retirement (you will receive a suspension of benefits notice). In that case, you continue to accrue pension benefits as any other plan participant.

If You Retire

See When You Retire from Active Employment.

If You Take a Leave of Absence

If you take an approved paid leave of absence, you will continue to earn vesting and credited service until your employment terminates. Your **Final Average Pay** will be based on the base rate of pay that you were earning when your leave began.

If You Become Disabled

If you become disabled and are—or become an **LTD Employee**, you will continue to earn vesting and credited service under the **Retirement Plan** while your employment continues as with any other employee on an approved leave of absence. Your Final Average Pay will be based on the base rate of pay that you were earning when your leave began. When your employment terminates, you will receive your pension benefits as described in When You Retire from Active Employment or If You Leave Before Retirement sections, as appropriate, unless you qualify for a **Disability Retirement**, as described below.

Disability Retirement

The Retirement Plan also provides that if you are totally and permanently disabled and can prove your disability to the Employee Benefits Committee, you may qualify for a disability retirement. A disability retirement is available regardless of your age or length of service at the time your disability begins. For purposes of a disability retirement, you must prove by objective evidence that, as a result of a physical or mental condition, you are permanently incapable of performing any substantial gainful employment. You must establish these facts by competent medical proof satisfactory to the Committee. In determining if you are disabled, the Committee will consider all evidence it considers relevant. The Committee generally will not necessarily consider evidence from your own treating physician to be more probative than any other evidence it considers.

If you are approved for a disability retirement, you will receive an unreduced accrued benefit based on your final average pay and credited service until your disability retirement date, which may be any day of the month. This means there will be no reduction for the years benefits begin prior to age 65. However, any retirement benefit payments may be used as an offset to any **LTD Benefits** that you might be receiving, as provided by the LTD Plan (See the LTD Plan **SPD**). Your employment will end as of the day before your disability retirement date.

Applying For Disability Retirement

To apply for disability retirement, your completed retirement application (including all required consents) must be received by Employee Services (see Contact Information) or any other department designated by the Employee Benefits Committee, while you are still living and prior to your termination of employment.

If You Die

If You Die While You're Employed By the Company

If you die while you are still employed by **Merck**, the **Retirement Plan** provides a death benefit for your spouse or estate (if you are not married at the time of your death). A benefit is paid regardless of your age or length of service at the time you die and the Retirement Plan subsidizes the full cost of providing this death benefit protection. The benefit amount is based on the early retirement benefit you would have received assuming you were eligible to retire the day before your death. The benefit to your spouse or estate (if you are not married at the time of your death) is then figured as if you had elected a *Life Income for You, Then 50% to Your Spouse* benefit option. See Life Income for You, Then 50% to Your Spouse. The 3% per year reduction for every year between your age at death (or date payments commence, if later) and age 62 (see Payment Choices) is used in this situation, if applicable, and then 50% of the resulting amount is payable to your spouse or estate. You may not designate another **Beneficiary** to receive this death benefit.

If you are married at the time of your death, your spouse receives the death benefit. Your spouse can receive payments right away, or elect to postpone payments to a later date but not beyond the time you would have attained age 65. Your spouse can elect to receive a single life **Annuity** for the remainder of his/her life or a single **Lump-Sum** payment. However, if the lump-sum value of your spouse's benefit is $5,000 or less, your spouse automatically will receive a lump-sum.

If you are single at the time of your death, an equivalent lump-sum payment is made to your estate. The benefit amount is figured as above as though you had a surviving spouse the same age as you, and you had been an early **Retiree** the day before your death. The single payment value of the resulting survivor's pension is then paid to your estate. Once a lump-sum payment has been paid on your behalf, no further Retirement Plan benefits are payable to your estate.

If You Die After You Leave the Company

If you have a vested right to a benefit, terminate employment with the **Company** and die before payments have commenced, and are married at the time of your death, your spouse may be entitled to a spouse's annuity, referred to as a qualified pre-retirement survivor's **Annuity** (QPSA). Your spouse can receive payments as soon as the first day of the month after he or she applies, or can wait for a later date, but not beyond the time you would have attained age 65. You may not designate another beneficiary to receive this death benefit. The amount of the benefit is calculated as if your accrued benefit were payable as a *Life Income for You, Then 50% to Your Spouse* benefit option (see Payment Choices) on the day before your spouse elects to begin receiving benefits. The amount of your accrued benefit is reduced actuarially (see If You Leave Before Retirement) for commencement prior to the time you would have reached age 65 if you had survived. This benefit generally is payable only in the form of a single life annuity to your spouse (unless the lump-sum amount is $5,000 or less, in which case the amount is payable only as a lump-sum).

Key Point

Your spouse may receive benefits if you die:
- While still employed by **Merck**; or
- After you leave Merck with a **Vested** benefit;
- Before your benefit begins and you did not waive this coverage; or
- After your pension begins if you selected a payment option with a death benefit of continuing income.

The amount of the reduction is determined as follows:

Nearest Age When QPSA Coverage Becomes Effective…	Percentage Reduction in Benefit for Each Year Between Effective Date of Spouse's Coverage and Date Payments Begin…
Under age 30	0.20%
Age 30 - 39	0.25%
Age 40 - 49	0.35%
Age 50 - 59	0.75%
Age 60 - 65	1.00%

If this reduction applies to you, you will be given a chance to waive the coverage, but your spouse must consent in writing to your waiver. If you waive the coverage and survive to the time you want to start receiving benefits from the **Retirement Plan**, the reduction described above will not apply to your benefit. But, if you waive the coverage and die before you have elected to receive your benefits from the Retirement Plan, your spouse will not receive any benefit. You will receive additional details concerning the QPSA, and be given the opportunity to waive it, before the charge will be imposed.

If you do not have a **Vested** right to a benefit, terminate employment with the Company and die, no benefit is payable from the Retirement Plan.

If you have prior contributions (see If You Contributed to the Retirement Plan in the Past) in the Retirement Plan at the time of your death, your **Beneficiary** is entitled to any balance due you from those contributions. That balance is figured by deducting any benefit payments made to you before your death from the value of your contributions plus interest.

You can name anyone you want as beneficiary for your prior contribution account. However, if you are married and you name someone other than your spouse as beneficiary, you will need your spouse's written and notarized consent.

If you are not married and have no contributions left in the Retirement Plan, no benefit is payable if you die before you elect to receive your benefit.

When Participation Ends

Once you enter the Retirement Plan, you will always be considered to be a participant (unless your employment terminates prior to vesting in the Plan). However, you will stop accruing credited service when:

- You terminate employment;
- You are no longer eligible to participate (see Eligibility); or
- You die.

ERISA

As a participant in the Retirement 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:

Receive 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 Retirement 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 Retirement 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 Retirement 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 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 a welfare benefit or exercising your rights under ERISA.

Enforcing Your Rights

If your claim for a pension 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. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic order or medical child support order, you may file suit in 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 **Retirement 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. See Contact Information.

Administrative Information

This section contains information on the administration and funding for the Retirement Plan, as well as your rights as a Retirement Plan participant. While you may not need this information for day-to-day participation in the Retirement 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 **Retirement Plan**. The employer identification number assigned to Merck by the IRS is #22-1109110. The address and phone number for Merck is as follows:

One Merck Drive
P.O. Box 100
Whitehouse Station, NJ 08889-0100
908-423-1000

Plan Administrator/Claims Administrator

The **Plan Administrator** for the Retirement Plan is Merck. Administration of the Retirement Plan is the responsibility of the plan administrator. The **Claims Administrator** determines eligibility for benefits under the Retirement Plan in accordance with the official Retirement 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 Retirement 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 Retirement Plan;
- Correct any defects;
- Reconcile any inconsistencies; and
- Supply any omissions with respect to the Retirement 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 Retirement Plan other than routine questions or questions about the filing or status of claims under the Retirement 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 HR Services Department as follows:

Merck HR Services
Plan Administrator
Merck & Co., Inc., CR-HR
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 **Retirement Plan**, you can serve legal process on Merck & Co. Inc., by directing such service to Senior Director, HR Services at the following address:

Senior Director, HR Services
Merck & Co., Inc., CR-HR
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 Retirement Plan is funded and administered through various sources. The Retirement Plan is financed by contributions from the **Company** (and, prior to January 1, 1973 by participating employees). Contributions are held in a trust. The amount of the contributions are based upon actuarial valuation. The Trustee is:

State Street Bank and Trust Company
One International Place
Boston, MA 02110

Trust

In general, the benefits provided to participants in the Retirement Plan may be funded by contributions made by Merck (and/or certain affiliates of Merck) and/or the participants of one or more trusts. Merck is responsible for the funding policy of the trusts and for determining the amount of contributions. The trusts are intended to be tax-exempt under the Internal Revenue Code of 1986, as amended. The Company may fund additional benefits through the trust(s) at a later time. If a trust is terminated, the assets in the trust will be used to pay all existing liabilities. Any remaining assets may then be used to provide other benefits for employees in accordance with Internal Revenue Code guidelines.

Plan Funding and Administration Chart					
Formal Plan Name	**Plan Number**	**Plan Type/ Benefits Type**	**Claims Administrator**	**Type of Administration**	**Insured or Self-insured**
Retirement Plan for the Salaried Employees of Merck & Co., Inc.	003	Pension; Defined Benefit	Director, Benefit Services	Trust Administration	N/A

The Company contributes the money necessary to fund your benefit under the Retirement Plan, and the Retirement Plan's funds are maintained by a trustee. Some employee contributions are still invested in the trust from years before January 1, 1973 when the Retirement Plan was contributory.

If the Retirement Plan is discontinued, your benefit will be paid according to priorities set by federal law. That means the assets in the trust fund, after providing for the expenses of the Retirement Plan, must be used for benefits for Retirement Plan participants. The Company cannot recover any money unless all accrued benefits are paid. If all accrued benefits are paid, any excess assets in the trust fund will revert to the Company.

Benefits under this Retirement Plan are insured by the Pension Benefit Guaranty Corporation (PBGC). Generally, if the Retirement Plan terminates, the PBGC guarantees most **Vested** normal retirement age benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan has been in effect less than five years before it terminated, or if benefits have been increased within the five years before plan termination, the whole amount of the plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that the PBGC guarantees which is adjusted periodically. For more information on the PBGC insurance protection and its limitations, contact the **Plan Administrator** or the PBGC. Inquiries to the PBGC should be addressed to:

Pension Benefit Guaranty Corporation
Technical Assistance Division
1200 K Street, N.W.
Suite 930
Washington, DC 20005-4026
202-326-4000

The **Company** pays an annual premium to the PBGC for this protection of your benefits.

No Right to Employment

Nothing in this **SPD** represents or is considered an employment contract, and neither the existence of the **Retirement 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 Retirement Plan in whole or in part or to completely discontinue the Retirement Plan at any time as provided in the plan document. If the Company takes such action, it would be subject to legal and plan provisions regarding your benefits earned to the date of such action.

If the Retirement Plan is terminated and surplus assets remain after all liabilities have been paid, such surplus shall revert to Merck to the extent permitted under the Plan and applicable law.

Non-Alienation of Benefits

You may not transfer, pledge, alienate or assign any benefit to which you are entitled under the Retirement Plan. In addition, no benefit may be subject to your debts or other liabilities unless specifically permitted by law (although the Retirement Plan does permit a voluntary, revocable assignment of up to 10% of any benefit payable). In addition, a participant's benefit may be subject to offset as provided by tax laws. If the **Plan Administrator** receives a **Qualified Domestic Relations Order (QDRO)** relating to marital property rights, alimony payments, or child support, all or part of your benefit may be payable to someone else.

Qualified Domestic Relations Order

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

Payments in Event of Incapacity

If a person is entitled to benefits under the **Retirement Plan** but is incapable of properly receipting for and receiving such payments, the Employee Benefits Committee may direct that benefits be paid to a legally appointed guardian or committee. If a guardian or committee has not been appointed, the Employee Benefits Committee will pay benefits to the spouse, if one exists, and if not, to an individual responsible for such person.

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

Contact Information

If you have questions about your benefits, you should contact **Merck** directly by phone or through Merck websites:

For More Information About…	**Contact…**	**By Phone…**	**By Web…**
Merck Benefits	Employee Services	800-255-5794 908-236-1999 (Monday-Friday, 8:00 a.m. to 5:00 p.m., Eastern Time)	http://humres.merck.com/eis/employee_services/ www.merck.com/benefits/ To access lump-sum interest rates: http://humres.merck.com/benefits To access most forms: http://humres.merck.com/eis/employee_services/forms.html
Data Management	Employee Services	800-255-5794 908-236-1999 (Monday-Friday, 8:00 a.m. to 5:00 p.m., Eastern Time)	Internal Mail: CR-DM Mailing Address: Merck & Co., Inc., CR-DM One Merck Drive P.O. Box 1200 Whitehouse Station, NJ 08889-1200
Retirement Plan Calculator	Merck	N/A	http://easyweb.merck.com/ben_retiree_plan.jsp
Qualified Domestic Relations Orders	Domestic Relations Hotline	908-423-7962	Not applicable
Social Security Benefits	Social Security Administration	800-772-1213	www.ssa.gov
ERISA	Pension and Welfare Benefits Administration	202-219-8776	www.dol.gov/dol/pwba/
Pension Benefit Guaranty Corporation	Pension Benefit Guaranty Corporation	202-326-4000 800-877-8399 (for TTY/TDD users)	www.pbgc.gov

The Retirement Plan

The **Retirement Plan** is designed to be one of the principal foundations of your financial security during retirement. This section provides you with important information about the amount of benefits under the Retirement Plan, and when and how benefits are paid. Eligibility and enrollment and other administrative details are found in the preceding section, About Your Retirement Benefits.

The Retirement Plan is administered by **Merck**.

At-a-Glance

Key Point

Through the Retirement Plan/Retiree Choice Medical Plan Calculator, you can obtain personalized estimates of your future retirement benefits based on assumptions you select, such as retirement date and future pay increases. You can access this retirement planning tool through myMerck. See Contact Information.

Here are some key features of the Retirement Plan:

- The **Company** pays the entire cost of funding your retirement benefit. No contributions are required from you.
- You are guaranteed your accrued benefit even if you leave the Company before retirement if you have five years of **Vesting Service** or are age 65 (regardless of your length of service).
- You can retire and start receiving reduced benefits anytime after age 55, as long as you have completed at least 10 years of **Credited Service**. However, your benefit may be reduced if you retire early before age 62.
- You can retire and start receiving unreduced benefits starting at age 62, as long as you have completed at least 10 years of credited service.
- You can choose from a range of benefit payment options.

How the Retirement Plan Works

Key Point

The Retirement Plan's basic formula coordinates with Social Security. See A Word About Social Security.

How Benefits Are Figured

Your benefit is payable as of the first of the month following age 65 as a monthly income for your lifetime (an **Annuity**). It is figured under a basic formula and a minimum formula, both as in effect when your employment ceases. You receive your benefit based on the formula that produces the larger monthly income for you.

Basic Formula

1.6% of **Final Average Pay** times your total credited service (minus credited service before July 1, 1995) *plus* 2.0% of final average pay times your credited service (before July 1, 1995) *minus* 1.6% of your **Social Security Benefit** times your credited service.

The offset resulting from this calculation is limited to 50% of your primary Social Security amount. For example, if your Social Security Benefit is $10,000 and you had 35 years of service, 1.6% x 35 x $10,000 equals $5,600. However, the Retirement Plan would limit the offset to $5,000, which is 50% of the $10,000 Social Security amount. The maximum years that will count for credited service may not exceed 35 (before and after July 1, 1995). If you retire from active service with **Merck** before age 65, there are some additional steps in figuring your benefit under the basic formula:

- For purposes of determining your Social Security Benefit, if you terminate employment prior to eligibility for normal or early retirement, projected earnings will be used for the period between termination of employment and your normal retirement date based on your annual rate of pay at the date of termination of employment. If you terminate employment after meeting the eligibility requirements for normal or early retirement, zero earnings will be used for this purpose for the period from your date of termination of employment to the later of age 62 or the **Annuity Starting Date**. The offset is calculated as 1.6% times the credited service you would have earned at your normal retirement age (this amount is limited to 50% times the Social Security Benefit and then multiplied by a service fraction, equal to your actual **Credited Service** at the time you leave the **Company** over the credited service you would have earned if you worked until normal retirement age (maximum of 35).

- Generally (as discussed later), when pension payments begin before age 62, the above amount will be reduced to reflect that benefits are expected to be paid earlier and over a longer time. Effective July 1, 1995, the **Social Security Bridge Benefit** was eliminated, subject to a phase-out period for active participants who were older than 40 on that date. The Social Security Bridge Benefit provided an additional amount each month between a participant's retirement date and the first month following his or her 62nd birthday to account for eligibility for Social Security benefits (see Transition Benefits).

Minimum Formula

The minimum benefit formula guarantees a certain benefit amount for each year of credited service you have when you retire or leave the Company. Currently, the minimum benefit formula provides this benefit amount payable as a life **Annuity** at age 65.

You Will Receive This Monthly Amount for Each Year of Credited Service:			
If you retire or leave on or after this date…	**If you have no contributions in the Retirement Plan…**[1]	**If you do have contributions in the Retirement Plan…**[1]	**The guarantee is effective for Benefits payable on or after this date…**
May 1, 1992	$35	$36	July 1, 1992
May 1, 1994	$39	$40	May 1, 1994
July 1, 1997	$43	$44	July 1, 1997
July 1, 2000	$50	$51	July 1, 2000
July 1, 2003	$55	$56	July 1, 2003
[1]Lesser minimums applied to participants who terminated employment before the dates shown above.			

Special Provisions

At the time certain subsidiaries or other entities joined or left the **Retirement Plan**, special provisions were outlined that may affect how your benefit is figured if you worked for one of these entities. The details of these special provisions are included in the official plan document and in summaries which are available from Employee Services (see Contact Information). The subsidiaries affected by these provisions are listed in Appendix A—Special Provisions.

Benefit Limits

Federal tax laws limit the benefit amount you can receive from a qualified plan like this Retirement Plan. One of these limits is designed to prevent discrimination in favor of key employees. Under current tax law, if 60% or more of the value of all benefits are to be paid to key employees, the Retirement Plan is considered to be "top-heavy." There are also limits on the contributions and annual benefits under this Retirement Plan and other Company defined benefit plans combined. You will be notified when you elect to receive your benefit if it is affected by these limits.*

Currently, the Retirement Plan is not top-heavy. In the unlikely event that the Retirement Plan becomes top-heavy, alternative plan provisions become effective. You will be notified if the Retirement Plan is determined to be a top-heavy plan.

Merck maintains a non-qualified Supplemental Retirement Plan to pay that portion of regular benefit in excess of the portion that can be paid under this qualified plan. The Supplemental Plan is separate from the Retirement Plan and is not described in this* ***SPD**. The Supplemental Plan is unfunded and its benefits are not subject to the protections described in this SPD for the Retirement Plan. The Company retains the right to terminate the Supplemental Plan at any time, for any reason.*

When You Retire from Active Employment

Retiring After Age 55

You can **Retire** from service and start receiving benefits at any time after age 55, if you have at least 10 years of **Credited Service** when your employment terminates.

Retiring After Age 62 With Unreduced Benefits

If you have reached age 62 and completed at least 10 years of credited service, or you have reached age 65 regardless of your credited service, you can retire and start receiving unreduced benefits. In fact, you can retire after reaching age 55 with 10 years of credited service and receive an unreduced benefit if you delay payment (your **Annuity Starting Date**) until you reach at least age 62.

You may be able to retire before age 62 and receive a benefit without the usual reduction (or a lesser reduction). Effective July 1, 1995, the **Rule of 85** was eliminated, subject to a phase-out period for active participants who were older than 40 on that date. The Rule of 85 allowed Retirement Plan participants who retired from active service when their age and credited service equaled at least 85 to receive unreduced benefits from the Retirement Plan. See Rule of 85 Transition Benefit and Retiring Before 62 with Reduced Benefits.

Retiring After Age 65

You are eligible to receive your full pension benefit when you reach the normal retirement age of 65. If you are in a high policymaking position under the **Company's** current Corporate Policy on Executive Retirement, retirement must occur no later than age 65.

If you continue to work for the Company past normal retirement age, payment of your pension benefit will not begin until your actual employment termination date—or in the year after you reach age 70½ as described below. Your benefit will be equal to your retirement benefit based on pay and service as of your date of termination (at your normal retirement date, you will receive a notice that your benefit will be payable when your employment terminates).

If you are still working on April 1 of the year after you reach age 70½, the **Retirement Plan** will start paying you your retirement benefit according to the payment option you elect (see Payment Choices). If you refuse to elect a payment option, the benefit will begin according to the Automatic Form of Payment provisions (see Automatic Form of Payment). Even though you are receiving your retirement benefit, you may still continue to work. If you continue to work, you will also continue to accrue pension benefits. Because the Retirement Plan can offset the payments it makes against the benefits you continue to accrue, you may not see any difference in your pension amounts.

Key Point

If you continue to work for the Company past normal retirement age, your pension will not begin on your actual retirement date.

Retiring Before 62 With Reduced Benefits

If you retire from active service after attaining age 55 with 10 years of credited service, but commence benefits before age 62, your benefit is reduced. The reduction is 0.25% for each month, i.e., 3% for each year benefit payments begin before age 62.

The Reduction Table on the following page applies—unless you are entitled to transition benefits. For example, if you were not entitled to transition benefits (see Transition Benefits), but retired at age 58 with at least 10 years of **Credited Service** and immediately start to receive benefits, you would receive 88% of your accrued benefit. However, if you are eligible for transition benefits, your benefit would then be increased according to the schedule described in Transition Benefits.

Additional adjustments will be made to that benefit amount if you receive some form of benefit other than the single life **Annuity**. For additional details about the available forms of benefit payments. See Payment Choices.

Reduction Table	
If you retire from active service and your benefits begin at this age…	**You receive this percentage of your accrued benefit…**
55	79%
56	82%
57	85%
58	88%
59	91%
60	94%
61	97%
62 or older	100%

Why Early Retirement Benefits Are Reduced

If you retire between the ages of 62 to 65 with at least 10 years of credited service, your early retirement benefits will not be reduced. If you retire from active service after attaining age 55 and 10 years of credited service, but before age 62, your benefit will be reduced for each month your payments begin prior to age 62 if you start to receive payments before age 62. To understand why the **Retirement Plan** reduces benefits for early commencement, remember that the Retirement Plan is designed to give you a monthly benefit beginning when you reach age 65. Payments made to you before you attain age 65 are additional, so your benefit is reduced to account for these additional early payments. However, the reductions represent early retirement subsidies; that is, the reductions are less than would be required if the Retirement Plan were designed to recover all of the additional costs imposed on the Retirement Plan when eligible **Retirees** begin to receive benefits early. For participants who leave with a **Vested** right (see Receiving Your Vested Benefit) but before meeting the requirements for an early retirement benefit, the Retirement Plan reduces the benefits on an actuarially equivalent basis, which is designed to recover all of the additional costs due to early commencement.

Transition Benefits

Before July 1, 1995, the Retirement Plan had two benefits to encourage **Eligible Employees** to retire early—the **Social Security Bridge Benefit** and the **Rule of 85**. Effective as of July 1, 1995, the **Company** determined that these benefits were no longer appropriate for the Retirement Plan. However, rather than completely eliminate the benefits, the Company determined if you were at least 40 and were a participant in the Retirement Plan on July 1, 1995, you may be eligible for two transition benefits. Each transition benefit operates as an addition to your Retirement Plan accrued benefit, multiplied by a transition percentage depending on your age on July 1, 1995.

Social Security Bridge Transition Benefit

The Social Security Bridge Benefit represented an additional benefit for eligible early retirees by providing a temporary monthly supplement prior to age 62. The amount of the benefit was the Social Security offset in the benefit formula. The offset would not apply until you attained age 62 if you retired early from active service and began receiving benefits from the Retirement Plan before then.

Effective July 1, 1995, this benefit was eliminated from the Retirement Plan. However, a transition benefit was added to replace all or part of this temporary supplement for you if you were participating in the Retirement Plan on July 1, 1995, and were at least 40 years old at the time. The Social Security Bridge Transition Benefit operates to increase your benefit by the additional amount that would have been payable under the Social Security Bridge.

Benefit formula, multiplied by the transition percentage (see Transition Benefit Chart) based on your age on July 1, 1995. For example, if you were 45 on July 1, 1995 and the Social Security Bridge Benefit would have provided you with $200 per month until age 62, your benefit would be increased by $100 per month until you attain age 62 ($200 **Social Security Bridge Benefit** times 50% transition percentage). At age 62, no additional payment would be made for this transition benefit. Additional adjustments to your benefit will be made if you choose a form of benefit other than a single life **Annuity**. Only **Retirees**, and not **Terminated Vested Participants**, qualify for the Social Security Bridge Transition Benefit. You do not have to be eligible for the **Rule of 85** Transition Benefit to receive the Social Security Bridge Transition Benefit.

Rule of 85 Transition Benefit

The **Rule of 85** provided that a participant who retired from active service when his or her age plus years of **Credited Service** totaled at least 85 received an unreduced immediate benefit. If a participant retired at age 55 with 30 years of credited service, under the Rule of 85 the percentage on the reduction table (see Retiring Before Age 62 With Reduced Benefits) would be 100%, not 79%.

Effective July 1, 1995, this benefit was eliminated from the Retirement Plan. However, a transition benefit was added to replace all or part of the benefit if you were participating in the Retirement Plan on July 1, 1995 and were at least 40 years old at the time. The Rule of 85 transition benefit operates to increase your benefit by the additional amount that would have been payable under the old Rule of 85, multiplied by the transition percentage (see Transition Benefit Chart) based on your age on July 1, 1995. Additional adjustments will then be made if you choose a form of benefit other than a single life annuity.

Only Retirees, not Terminated Vested Participants, qualify for the Rule of 85 Transition Benefit.

Transition Benefit Chart	
If you were this age as of July 1, 1995…	**You will receive at least this percentage of the enhancement…**
50 or older	100% ↑
49	90% ↑
48	80% ↑
47	70% ↑
46	60% ↑
45	50% ↑
44	40% ↑
43	30% ↑
42	20% ↑
41	10% ↑
40	0%
39 and younger	Not eligible
↑ *Denotes range. You will receive an extra 0.833% for each month of your age. For example, if you were age 40½, you will receive approximately 5% of the enhancement.*	

An Example of How the Formula Works

Retirement Plan Formula

Probably the best way to understand a retirement formula is through an example. To show how the formula applies to different employees, we will need to change some of our assumptions as we go along. In all the examples, however, assume that your **Final Average Pay** at retirement is $50,000.

Let's start with the simplest example—retiring at age 62 or older. If you retire at age 62 or later, your earned benefit is not reduced for early retirement. Assume that you have seven years of post-July 1, 1995 **Credited Service** and 20 years of pre-July 1, 1995 credited service.

Retirement at Age 62 or Older

Basic Formula						
1.6%	x	$50,000 Final Average Pay	x	7 Years of Post-July 1, 1995 Credited Service	=	$5,600
				plus		
2.0%	x	$50,000 Final Average Pay	x	20 Years of Pre-July 1, 1995 Credited Service	=	$20,000
						$25,600
				minus		
1.6%	x	$12,000 Estimated **Social Security Benefit**	x	27 Years of Credited Service[1]	=	$5,184[2]
				Annual Life Income	=	$20,416

[1]For employees younger than age 65, 1.6% x credited service at normal retirement age not greater than 50% x estimated Social Security Benefit x (credited service at retirement/credited service at normal retirement age).
[2]Maximum offset is 50% of estimated Social Security Benefit.

Minimum Formula						
$50	x	27 Years of Credited Service (324 months)	x	12	=	$16,200 Annual Life Income Benefit

Since the basic formula yields the higher annual life income benefit, that is the amount you will receive on a life income basis.

Early Retirement Option

If you decide to take early retirement, the **Retirement Plan** will calculate your benefits according to the pension plan formula and then reduce the amount based on the number of years you retire earlier than age 62. The following Retirement at Age 55 to 61 example shows how this works.

Retirement at Age 55 to 61

If you retire before age 62, your pension benefit would first be calculated according to the pension formula. Then the final annual life income benefit would be reduced to the percentage listed on the reduction table in Retiring Before Age 62 with Reduced Benefits. For example, if you choose to retire at age 57 and your annual life income was calculated to be $20,146 (as in the prior example, the income amount would then be reduced to 85% of the benefit you earned).

$20,416	Annual Life Income
x .85	Percentage Annual Life Income Reduced By
$17,353	**Annual Life Income**

If Transition Rules Apply

Let's assume that your annual life income is $20,416, but that you were age 45 on July 1, 1995, and are therefore eligible for the transition provisions. See Transition Benefits. Here are the steps to follow:

Step 1	Calculate your benefit *with* the **Rule of 85** and the **Social Security Bridge Benefit**. (Assume you would have been entitled to both.)		
	• Benefit under the basic formula (see Basic Formula):		$20,416
	• No reduction because of Rule of 85:		x 1.00
	• Social Security Bridge Benefit:		+5,184
		=	$25,600
Step 2	Calculate your benefit *without* the Rule of 85 and Social Security Bridge Benefit (see Early Retirement Option):		$17,353
Step 3	The difference (Step 1 – Step 2) equals the old early retirement enhancement:	=	$8,247
Step 4	Calculate your transition benefit by multiplying this enhancement by the appropriate percentage for your age from the *Transition Benefit Chart* under Rules of 85 Transition Benefit:		x 0.50
		=	$4,124
Step 5	Add the special transition benefit (Step 4) to your early retirement benefit (Step 2):	plus	$17,353
	This equals your actual annual life income payable to age 62, including the transition benefit:	=	$21,477

Note that the part of the transition benefit from the Social Security Bridge Benefit ($5,184 x 0.50 = $2,592) will cease at age 62. The part of the transition benefit from the Rule of 85 ($20,416 minus $17,353 x 0.50 = $1,532) will continue for your lifetime. In this example, the annual life income is $18,885 after age 62.

If You Leave Before Retirement

If you terminate employment with the **Company** before you **Retire**, you will be entitled to benefits from the **Retirement Plan** if you complete five years of **Vesting Service** with the Company prior to your date of termination.

After you terminate employment with the Company and its affiliates, if you are entitled to a **Vested** benefit from the Retirement Plan, you will receive a statement which will tell you what your single life **Annuity** will be at age 65. If you terminate employment before you are vested, you and your beneficiaries will not receive any benefits from the Retirement Plan and you participation will cease as of your employment termination date.

Receiving Your Vested Benefit

If you are **Vested** when you terminate employment with the **Company** before you retire, payments begin no later than the first day of the month following your attainment of age 65. However, you can start receiving a reduced benefit anytime after the first day of the month after you attain age 55. Your **Social Security Benefit** for **Retirement Plan** purposes will be calculated with the assumption that your pay at the time you leave the Company will continue until age 65 and that you begin receiving Social Security benefits at age 65. When payments begin before age 65, however, your retirement benefit is reduced. The early payment reduction for a vested participant is an "actuarial" reduction. That is, your life expectancy and certain other actuarial assumptions go into figuring the reduction amount. You should expect this to reduce your benefits substantially.

Key Point

Remember that it is your responsibility to notify the Company if you change your address—particularly if you leave the Company prior to retirement. You should notify Employee Services. See Contact Information.

The table below shows examples of actuarial reductions from the age 65 benefit (for retirements occurring after January 1, 2003).

If you are entitled to a vested benefit which will begin at this age…	You will receive this percentage of your accrued benefit…
55	34.4%
56	38.1%
57	42.1%
58	46.7%
59	51.8%
60	57.6%
61	64.1%
62	71.4%
63	79.8%
64	89.2%
65	100%

Note: Actual factors are based on attained age in years and months. Different factors apply for employees who terminated prior to August 1, 1983.

Keep in mind that certain early retirement plan provisions discussed earlier in this **SPD**, such as the early retirement subsidies and the Social Security Bridge Transition Benefit and the **Rule of 85** Transition Benefit, apply only if you retire after attaining age 55 and at least 10 years of **Credited Service**.

Your retirement benefit will begin automatically on the first day of the month after you reach age 65 if you have not elected to receive it earlier. The Company will provide you with the appropriate forms before your retirement date, so it is important to keep your address information up-to-date by contacting Employee Services whenever you move, even after leaving the Company. If you want your benefit to begin early, you must apply for it. Before your benefit begins, you will have the opportunity to choose the method of payment you want. See Payment Choices. There is one exception: If the single payment value of your benefit is $5,000 or less, you will automatically receive a single payment at the time payment of your benefit would begin.

When Benefits May Not Be Payable to You

Here are some situations in which you may not receive benefits:

- If you stop working for the **Company** before completing five years of **Vesting Service** and you are not 65 years old, unless you qualify for a disability pension.

- If you are receiving benefits and are reemployed by the **Company**, are working at least eight days per month specified by the Department of Labor, payments are discontinued until you terminate again. If you attain normal retirement age, payments will not be made until you terminate employment or in the year after you reach age 70½. In either event, you will receive a suspension of benefits notice.
- Generally, if you do not apply for benefits, you cannot begin to receive them (see Filing a Claim). If you are married, you are not considered to have applied unless you obtain your spouse's consent where applicable. If you die before your retirement benefits begin, your spouse generally must apply for benefits before they can begin (see Filing a Claim). This general rule does not apply when you reach 65 (or would have reached 65 if you die before then) if your employment has terminated. In that case, benefits begin automatically, but the form of benefit will be a single life **Annuity** for single participants and a 50% spousal annuity for married participants.
- If you or your spouse cannot be located, benefits cannot be paid. It is your responsibility to notify Employee Services when you have a change of address (see Contact Information).

If the Employee Benefits Committee receives a **Qualified Domestic Relations Order (QDRO)** relating to marital property rights, alimony payment, or child support, all or part of your benefit may be payable to your spouse, former spouse, or children.

Payment Choices

Before your benefit begins, you may choose among several different payment methods. There are automatic forms of payment and optional choices. If you do not make a choice, you will automatically receive the standard form of payment that applies to you. All forms of benefits are actuarially equivalent to the *Life Income for You Alone*. That means that based on the actuarial assumptions used by the **Retirement Plan**—chiefly, mortality and interest rates—all forms of benefit have the same value.

The form of payment you select becomes irrevocable on your **Annuity Starting Date**.

Automatic Form of Payment

The automatic form of income payment depends on your marital status when payments begin, and are described more fully below:

- If you are single when payments begin, the automatic form of payment is the *Life Income for You Alone* option.
- If you are married when payments begin, the automatic form of payment is a *Life Income for You, then 50% to your Spouse*. Only your spouse can be designated as your joint annuitant under the automatic form.

If you do not want to receive benefits in the automatic form, you can choose one of the optional forms of payment. However, if you are married, you will need your spouse's written and notarized consent to any optional form of payment you choose, except for the *Life Income for You, Then 100% to Your Spouse* option.

Optional Forms of Income Payments

Life Income for You Alone

Under this option, you will receive a monthly pension benefit as long as you live. Although this option provides you with the largest amount of monthly income while you live, when you die, no payments will be made to your spouse or survivors.

Life Income for You, Then 50% to Your Spouse or Survivor

A reduced monthly pension will be paid to you during your life. When you die, a pension equal to one-half of the amount you are receiving will be paid to your joint annuitant, who may be your spouse or other **Beneficiary** you choose, for the rest of his or her life. If your joint annuitant pre-deceases you, you will still receive the reduced monthly amount and no benefit will be paid at your death.

Life Income to You, Then 100% to Your Spouse

This is the same as the *Life Income for You, Then 50% to Your Spouse or Survivor* form of payment, except your monthly benefit is further reduced to reflect that the entire amount (instead of 50%) will be paid after your death to your joint annuitant. Only your spouse can be designated as your joint annuitant.

Life Income for You With a 5-Year Minimum Lump-Sum Guarantee

This option allows for a pension payment for life on a reduced basis and provides a guaranteed minimum amount. The guaranteed minimum amount is five times the annual benefit that would have been paid to you had you elected the *Life Income for You Alone* option without any applicable reduction for early retirement, i.e., your unreduced accrued annual benefit. For example, if you die three years after you retire, your survivor will then receive a lump-sum equal to the guaranteed amount, less income already paid. If you are still living after having received total payments equaling the guaranteed amount, you would still receive a monthly benefit for the rest of your life, but there would be no benefit payable to a spouse or survivor in the event of your death.

Life Income for You With 10- or 15-Year Guarantee

This option allows for a pension payment for life on a reduced basis and ensures a guaranteed amount at least equal to 10 or 15 times your reduced annual benefit will be paid to your survivor if you die before the guaranteed period has expired. For example, if you die three years after you retire, your survivor will then receive a lump-sum equal to the guaranteed amount, less income already paid. If you live beyond the guaranteed period, you would still receive a monthly benefit, but there would be no benefit payable to a spouse or survivor in the event of your death.

Social Security Level Income Benefit

If you elect to start receiving benefits before age 65, you can choose the Social Security Level Income benefit. This form of payment provides a larger monthly income benefit from the **Retirement Plan** until you start receiving Social Security, which you can designate as age 62 or age 65. Then, once your **Social Security Benefits** begin, your Retirement Plan benefit is reduced. In this way, your income from the Retirement Plan alone, and then from the Retirement Plan plus Social Security, remains approximately level throughout your retirement years. (This form of benefit is not related to the **Social Security Bridge Transition Benefit**.) See A Word About Social Security.

Lump-Sum Option

This is a final payment from the Retirement Plan. If you take this option, you will not receive any future benefits from the Retirement Plan or be eligible for any increases to Retirement Plan payments. This form of benefit is very sensitive to interest rate fluctuations. Even if your accrued benefit increases from year-to-year as a result of additional **Credited Service**, the lump-sum value could decrease, if interest rates were to increase.

The lump-sum factors change as of the first day of January, April, July and October. They are based in part on a mortality table prescribed by the Internal Revenue Service, which is updated from time to time. Lump-sum factors also are based in part on an average of interest rates published by the Internal Revenue Service based on investments in long-term government securities. The averaging period—the “look-back” period—is interest rates for five, four and three months prior to the beginning of the quarter. For example, the lump-sum interest rate for January 1 through March 31 of any year will be based on the average of the interest rates published by the IRS in September, October and November, respectively, of the prior year. Together, these mortality and interest rates are referred to as the “GATT” basis after a statute mandating them. The GATT basis lump-sum factor is compared to the factor based on the Buck Forward Interest Rate and the 1979 George B. Buck Mortality Table (Buck is the Plan’s enrolled actuary). Whichever basis gives the greater lump-sum applies for the appropriate calendar quarter.

Interest rate information is available approximately four-to-six weeks before the start of a new quarter, depending on when the IRS publishes relevant rates. For example, interest rates that were in effect during the first quarter of 2002 (January 1 through March 31, 2002) became available mid-November 2001. Current interest rate information is available online. See Contact Information.

Note: If the lump-sum present value of your benefit is $5,000 or less, you automatically will receive a single payment at the time payment of your benefits would begin.

Other Payment Options

Other payment options, which are a variation of the options discussed above, may be possible within certain limitations outlined by the **Retirement Plan**. For more information, contact Employee Services. See Contact Information.

Hardship Lump-sum

If you have already begun receiving payments under the Retirement Plan, you may request a lump-sum payment on account of hardship by submitting a written, notarized statement to the Employee Benefits Committee showing that your assets are insufficient to meet medical or custodial expenses. If married, you must also obtain the written and notarized consent of your spouse (determined as of the date you began receiving benefits). If your request is granted, you will receive a lump-sum payment which is the actuarial equivalent of your remaining payments and which is in full settlement of all the benefits to which you would be entitled under the Retirement Plan.

If You Contributed to the Retirement Plan in the Past

On January 1, 1973, the Retirement Plan became non-contributory. That is, from that day forward **Merck** began paying the full cost for your retirement benefits. Before January 1, 1973, employees also contributed toward the cost of participation.

If you were a participant before January 1, 1973, when the Retirement Plan became non-contributory, you had the opportunity to leave your contributions and accumulated interest in the Retirement Plan or you could withdraw them. If you did not withdraw your contributions at that time, they remained in the Retirement Plan and would continue accumulating interest until they are withdrawn at retirement. At the time you terminate employment, you will again have the opportunity to either leave your money in the Retirement Plan or until you attain age 65 or withdraw it. If you are married, you will need your spouse’s consent to withdraw your contributions in any form other than a *Life Income forYou, then 50% to Your Spouse* **Annuity**. Employee Services will provide additional information to explain the effect on your retirement benefit if you withdraw your contributions.

Regardless of your payment choice, if you leave your prior contributions in the Retirement Plan, you are always guaranteed payments equal to the value of your contributions with interest. If you die before receiving all payments attributable to your own contributions and interest, your **Beneficiary** receives the balance. You do, however, have the option of receiving your contributions plus interest either in the form of a lump-sum or a monthly annuity in the automatic form of payment. See Automatic Form of Payment. If you decide to receive a refund of the value of your contributions, the guarantee described above will not apply.

Key Point

If you leave the **Company** before retirement, remember to inform Employee Services of any address changes. The Company will need to send you retirement forms prior to your retirement date. See Contact Information.

A Word About Social Security

Social Security can be an important source of retirement income. Throughout your working years, both you and the **Company** pay an equal rate of taxes toward your Social Security. To take into account the Social Security income you can expect at retirement, the **Retirement Plan's** basic formula (see Basic Formula) coordinates with Social Security. However, once your Retirement Plan benefit has been determined when you retire or leave the Company, your Retirement Plan benefit is not adjusted to reflect any future changes in your **Social Security Benefit**.

Key Point

You must apply for Social Security benefits once you become eligible to receive them. Payments do not begin automatically. For more information on how to contact the Social Security Administration, see Contact Information.

Remember that your retirement benefit is reduced to take into account the income you will receive from Social Security. Because the offset used is based on an estimate of your Social Security benefit, you have the right to provide the Company with your actual earnings history from the Social Security Administration. If your actual earnings history results in a lower Social Security offset, this lower offset will be used. You can contact the Social Security Administration (see Contact Information) to begin the process of obtaining your earnings and benefit estimate statement to check your wage history. You must furnish this information to the Company within six months from the date of your retirement (or if later, within six months from the date of notification of your entitlement).

Social Security retirement can begin as early as age 62. In addition, your spouse may be eligible to receive 50% of your Social Security benefit when he or she reaches full Social Security retirement age or your spouse may be entitled to a larger benefit based on his or her earnings. Of course, your spouse's benefit is not used as an offset under the Retirement Plan's basic formula.

The Social Security law provides retirement, disability, and death benefits for **Eligible Employees**. The amount of your benefit is based on your employment and earnings history and the law in effect at the time you receive payments.

You must apply for any Social Security benefit you are eligible to receive. Payments do not begin automatically. Benefits should be applied for approximately three months before they are supposed to begin. When you go to the Social Security office you should take your birth certificate and your latest W-2 form.

Filing a Claim

When you retire or leave the Company or its subsidiaries, there are forms you will need to complete to receive your benefit. You will also receive a statement of the benefit amount you are entitled to receive, or if you are not entitled to a benefit, you will receive a statement of this fact. To receive forms, amount of benefits and guidance on retirement options, contact Employee Services. See Contact Information.

Benefits begin automatically at age 65 if you are a terminated **Vested** employee (see If You Leave Before Retirement). 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. To file a claim under the Retirement Plan, you must submit a completed claim form to the **Claims Administrator** at the following address:

Claims Administrator for the Retirement Plan
Director, Benefits Services Administration
Merck & Co., Inc., CR-BSA
One Merck Drive
P.O. Box 100
Whitehouse Station, NJ 08889-0100

Timeframes for Non-Disability Retirement Claims

For claims other than disability retirement claims, 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 a notice within the 90-day period, your claim will be considered denied.

Timeframes for Disability Retirement Claims

For disability retirement claims, you will receive a written notice from the **Claims Administrator** or its delegate within a reasonable time, but not later than 45 days after receipt of the claim by the claims administrator. This period may be extended by 30 days each of two times provided the claims administrator or its delegate determines that an extension is necessary due to matters beyond the control of the plan and notifies you within the initial period (and within the first 30 day extension period, if applicable) of the circumstances requiring the extension and the date by which the plan expects to render a decision. In addition, the notice of extension must include the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues. You will be allowed at least 45 days from receipt of the notice to provide the specified information.

Appealing a Claim

Appealing a Non-Disability Retirement Claim Decision

If the claims administrator denies all or part of your claim, except with respect to a disability retirement claim, your notice will include:

- Specific reasons why the claim was denied;
- Specific references to applicable provisions of the **Retirement 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 claim administrator's decision.

You have the right to review all documentation that was used to make 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 a written appeal (with supporting documentation), to the following address:

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 Retirement Plan.

Appealing a Disability Retirement Claim Decision

If the **Claims Administrator** denies all or part of your claim, with respect to a disability retirement claim, your notice will include:

- Specific reasons why the claim was denied;
- Specific references to applicable provisions of the Retirement 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 that was used to make a decision about your claim. If you disagree with the claims administrator's decision, you have 180 days after receiving the notice of the denial to file a written appeal to the claims administrator. To file a denied claim, send a written appeal (with supporting documentation), to the following address:

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 45 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 45-day period. In that case, the decision will be made no later than 90 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 Retirement Plan.

The claims administrator will forward your appeal request to the appropriate person(s) for review. The review will be conducted by the claims administrator or other appropriate named fiduciary of the plan who is neither:

- The individual who made the adverse benefit determination which is the subject of the review, nor
- The subordinate of such individual (including any physicians involved in making the decision on your appeal if medical judgement is involved).

No deference will be given to the initial adverse benefit determination. You will have the opportunity to submit written comments, documents, records, and other information relating to the claim and you shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim for benefits. Whether a document, record or other information is relevant to your claim shall be determined in accordance with the applicable U.S. Department of Labor (DOL) regulations. The review will take into account all comments, documents, records and other information submitted by you relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

The claims administrator shall notify you of the plan's benefit determination on review within a reasonable period of time, but not later than forty-five (45) days after receipt of your request for review, unless special circumstances, such as the need to hold a hearing, require an extension of time for processing the claim. If an extension of time is required, the initial 45-day period may be extended one time by up to 45 days provided the claims administrator or its delegate notifies you within the initial period of the special circumstances requiring the extension and the date by which the plan expects to render the determination on review.

The claims administrator shall provide you with written notification of the plan's benefit determination on review. In the case of an adverse benefit determination, such notice will indicate:

- The reason for the adverse determination;
- Reference to the specific provisions of the plan on which the benefit determination is based;

- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits;
- A description of your right to bring a civil action under ERISA following an adverse benefit determination on review;
- If any internal rules, guidelines, protocols or similar criteria was used as a basis for the denial, either the specific rule, guideline, protocols or other similar criteria or a statement that a copy of such information will be made available free of charge upon request;
- A description of your right to obtain additional information upon request about any voluntary appeals procedures under the plan; and
- A notice about other voluntary alternative dispute resolution options that may be available.

The notice also will include the following statement, as required by law: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your state insurance regulatory agency." However, please understand that under the **Retirement Plan**, there are no voluntary alternative dispute resolution options.

Glossary

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

Glossary Terms	
Annuity	A benefit that is paid to you under the plan in monthly installments over your lifetime—or the lives of you and your **Beneficiary**. The amount of the annuity payment is determined by a number of factors, including the value of your account, your age, and the age of your beneficiary, if applicable.
Annuity Starting Date	The date as of which you begin receiving benefits is called your Annuity starting date, even if you receive a form of benefit other than an annuity. The annuity starting date will be the first day of the month after you have done everything required by the **Retirement Plan** for you to commence your benefit (although for a disability retirement, the annuity starting date may be any day of a month). Generally, you must terminate employment, apply for your benefits and obtain the consent of your spouse for certain payment options, before your annuity starting date. However, in some cases, these requirements do not apply. For example, if you have terminated employment prior to being eligible to retire, the annuity starting date is not later than the first day of the month after you attain age 65. The annuity starting date if you attain age 70½ can precede the date you terminate employment. And, spousal consent requirements apply only if you are married on your annuity starting date (unless there is a **Qualified Domestic Relations Order** to the contrary).
Beneficiary	A person(s) that you identify in accordance with the terms and conditions of the Retirement Plan to receive any benefits payable under the Retirement Plan. The Retirement Plan permits designation of a beneficiary only in connection with an election of a form of benefit that provides payments that may continue after the participant dies.
Casual Employee	A person who may be called by a Company at any time for employment on a non-scheduled and non-recurring basis, and becomes an employee of the Company only after reporting to work for the period of time during which the person is working and who is not covered by a collective bargaining unit and is not an Excluded Employee or Excluded Person.
Claims Administrator	**Merck**
Company	Collectively, Merck & Co., Inc., Merck Holdings, Inc., KBI Enterprises, Inc., Rosetta Inpharmatics LLC, Merck Liability Management Company and Merck and Company Incorporated, or any of them.

Glossary Terms	
Credited Service	In general, for service before January 1, 1976, credited service includes only full calendar years of employment starting with the January 1 after your hire date. For service on and after January 1, 1976, credited service includes your years and **completed** months of employment starting with the January 1 or July 1 coinciding with or next following your hire date. In total, 35 years is the maximum credited service you can earn (except there is no maximum for purposes of the minimum benefit). If the maximum on credited service applies to a **Retirement Plan** participant, the most recent years of service that would have counted as credited service in the absence of the maximum will be dropped; that is, earlier service (when the benefit multiplier was 2.0% per year) will have precedence over later service (when the benefit multiplier was 1.6% per year). Credited service does not include any years you were eligible to participate in a **Company**-sponsored Retirement Plan but declined to do so. If you leave and are rehired as an eligible employee, you start receiving credited service on the first of the month coincident with or next following your date of rehire. Also, your prior credited service for any previous employment with the Company will be counted toward your benefits (unless you received a lump-sum). Credited service is not credited for purposes of benefit accrual if you transfer to a **Merck** subsidiary that does not participate in the Retirement Plan, such as TELERx Marketing, Inc., but it does continue for purposes of eligibility for early retirement subsidies.
Disability Retirement	Disability Retirement is a termination of employment at a time when you are determined to be disabled, as defined in the Plan. A disability retirement date may be any day of a month.
Eligible Employees	Collectively, the Company's **Regular Full-Time Employees**, **Part-Time Employee**s, **Merck Temporary Employees**, and **Casual Employees**.
Employee	A person, including any officer (but not including any director as such, who is paid by a Company through its normal payroll practices on a salaried or commission basis who is a United States citizen or permanent resident (a) employed by an Employer within or without the United States, (b) employed on a salaried or commission basis applicable to Foreign Service Employees, with an affiliate of a Company that is not a Company (a "non-participating employer") or (c) employed in Puerto Rico by a non-participating employer; provided, that for purposes of (b) and (c) above, the individual is not covered by any retirement plan provided by the non-participating employer; and provided further, that the non-participating employer is covered by an agreement under Section 3121(l) of the Internal Revenue Code (dealing with Social Security). "Employee" also includes a national of a foreign country employed by a Company in the United States or who, while so employed, at the request of the Company is stationed within the United States unless such foreign national employed by the Company has been transferred from a foreign non-participating employer to a Company and (a) is on temporary assignment (not to exceed three years) and (b) elects to continue coverage by the retirement plan provided by the foreign non-participating employer for the duration of such assignment.

Excluded Employee	**Intern**/**Graduate**/**Cooperative Student Associate**(s), and employees of **Merck** who are members of a collective bargaining unit. Excluded employees as such do not participate in the **Retirement Plan**.
Excluded Person	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 Retirement Plan even if a court, agency or other authority rules that he/she is a common-law employee of the Company or its affiliates. Excluded persons as such do not participate in the Retirement Plan.
Final Average Pay	The average of your highest five consecutive calendar years of pay for the 10 calendar years before you leave, retire, or die. The calculation considers the partial year of pay received in your final year of service if it is greater than the pay you received in any of the applicable five consecutive calendar years, but excludes payments made after your employment terminates. Pay for this purpose includes the greater of: • Your annual base pay for all full years of service completed, not to exceed an amount determined annually by the Secretary of the Treasury ($200,000 for 2002). This annual base pay is determined as of December 31 of the current year (before any pre-tax contribution deductions for the Savings Plan or any elective deferrals to the Flexible Benefits Plan). Commissions, overtime pay, bonuses, or other supplemental pay are excluded. • Your actual cash earnings, not to exceed an amount determined annually by the Secretary of the Treasury ($200,000 for 2002). Your cash earnings are determined before any pre-tax contribution deductions for the Savings Plan or any elective deferrals to the Flexible Benefits Plan. Also included are overtime, bonuses, commissions, special awards, shift differential, cost of living adjustments, pre-tax transportation fringe benefits, as well as incentive pay (but excluding any award paid under the strategic performance feature of the Executive Incentive Plan, any other long-term incentive plan, and distribution of a previously deferred award under any of the Company’s incentive plans). All other payments not specifically listed above, for example, income from the exercise of stock options and severance pay, are excluded. If your employment transfers to a **Non-Participating Employer** or you otherwise cease to be an eligible employee, but you do not terminate employment with the **Company** and its affiliates, your final average pay will include your pay from the Company and its affiliates until your employment does terminate.
Flexible Benefits Program	The Merck & Co., Inc. Flexible Benefits Program offers a variety of benefit options, including medical, dental, vision, long-term disability, long-term care, life insurance, health care and dependent care accounts and a financial planning benefit.
Foreign Service Employee	A United States citizen or permanent resident residing and working outside of the United States whose base salary and overbase allowances are related to United States levels and who has been designated as a foreign service employee by the Company.

Glossary Terms	
Intern/Graduate/ Co-Operative Student Associate	A student hired by Merck & Co., Inc., as a participant in the Merck Intern/ Graduate/Cooperative Associate Program. The student must be designated as a participant in that program at least annually by the Director of University Relations (by whatever title such function is known from time to time).
LTD Benefits	Income replacement benefits provided under the Merck & Co., Inc. Medical, Dental and Long-Term Disability Plan for non-union Employees.
LTD Employee	An employee who is receiving LTD benefits who on the day he/she became eligible for LTD benefits was considered by the **Company** to be a **Regular Full-Time Employee**, **Part-Time Employee**, or a **Merck Temporary Employee** and who has not terminated employment.
Merck	Merck & Co., Inc.
Merck Temporary Employee	An employee hired and paid by a Company (rather than an agency) for a specific position in the United States for a designated length of time which is normally not more than 24 consecutive months in duration, who is committed to leave the Company at the end of that time and is not covered by a collective bargaining unit and is not an **Excluded Employee** or **Excluded Person**.
Non-Participating Employer	An affiliate of a Company that is not a Company whose employees do not participate in the Retirement Plan.
Normal Retirement Age	Age 65.
Plan Administrator	Merck.
Permitted Plan Change	Certain events in your personal life that may allow you to change some of your Flexible Benefit Program choices or coverage levels during the year (e.g., marriage, divorce, birth or adoption of a child). For a detailed description, see <u>Your Medical Benefits</u>. Permitted plan changes are not applicable to the Retirement Plan.
Part-Time Employee	An employee employed by a Company who works on a scheduled basis for less than the number of regularly scheduled hours for his or her site and who is not covered by a collective bargaining unit and is not an excluded employee or excluded person.
Plan Year	The calendar year, January 1 through December 31, on which the records of the plan are kept.
Retirement Survivor's Annuity (QPSA)	Under federal law, defined benefit pension plans (like the Merck Retirement Plan) are required to offer certain benefits/protection to employees and their spouses. One such benefit is known as a QPSA, short for ***q***ualified ***p***re-retirement ***s***urvivor ***a***nnuity. The QPSA benefit provides a portion of an employee's vested pension benefit to his/her spouse if he/she dies before receiving any pension benefits.
Qualified Domestic Relations Order (QDRO)	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 a spouse, former spouse, child or other dependent.
Regular Full-Time Employee	An employee employed by the Company on a scheduled basis for a normal work week, is not classified as part-time, Merck temporary, or casual, is not covered by a collective bargaining unit and is not an excluded employee or excluded person.

Glossary Terms	
Rehired Employee	A former Company employee who participated in the **Retirement Plan** and who is rehired by the Company.
Retire	For the purposes of the Retirement Plan only, “retire” means to terminate employment with the Company (and all of its affiliates and successors) at or after attaining at least 55 years old and at least 10 years of credited service, or after at age least 65 without regard to years of credited service. For example, if you terminate employment at age 50 with 15 years of credited service, you do not retire and become a “retiree” at age 55; instead you are a terminated vested employee.
Retiree Choice Program	A program which provides medical and dental benefit coverage to persons who meet the definition of retirees under the program.
Retirement Plan	The Retirement Plan for Salaried Employees of Merck & Co., Inc.
Retirement Plan Calculator	The Retirement Plan Calculator is an online tool that can be accessed from personal desktops and secure public workstations throughout the Company. Through the Retirement Plan Calculator (see Contact Information), you can obtain personalized estimates of your future retirement benefits based on assumptions you select, such as retirement date and future pay increases.
Rule of 85	The Rule of 85 provided that if an eligible employee retired from active service when his/her age plus years of credited service totaled at least 85, the employee would receive an unreduced immediate benefit. This provision was eliminated effective July 1, 1995.
Social Security Benefit	The actual or estimated amount you are entitled to receive at age 65 and is based on the Social Security law in effect at the time you leave. Estimated Social Security benefits are determined based on certain assumptions about your earnings before and after your employment with the Company. Within six months of the date your employment terminates, you may provide documentation of your actual Social Security earnings record, available from the Social Security Administration.
Social Security Bridge Benefit	The Social Security Bridge Benefit provided a temporary monthly supplement prior to age 62. The amount of the benefit was the Social Security offset in the benefit formula. The offset did not apply until the eligible employee attained age 62 if the employee retired early from active service and began receiving benefits from the Retirement Plan before then. This provision was eliminated effective July 1, 1995.
SPD	Summary Plan Description.
Standard Benefits Program	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)) plan benefits, short-term disability coverage, travel accident insurance and separation pay.
Transferred Employee	A Company employee or former employee who has transferred employment from a non-participating employer to a Company as an **Eligible Employee** and who is not an excluded employee or excluded person.
Terminated Vested Participant	A Retirement Plan participant whose employment terminated when his/her benefit was vested but before such participant could retire or have a disability retirement.

Glossary Terms	
Vested	A participant’s non-forfeitable right to his/her accrued benefit under the **Retirement Plan**.
Vesting Service	Each calendar year or any part of one a participant works for a company or their affiliates, but not their joint ventures, is counted as one full year of vesting service. In general, for years before January 1, 1976, vesting service includes continuous years of employment with the **Company** and disregards any service prior to a break in service. For years starting with January 1, 1976, vesting service includes all service with the Company and its affiliates

Appendix A—Special Provisions

Following is a list of groups affected by special provisions of the Merck Salaried Retirement Plan:

- Employees of Calgon Corporation;
- Employees of Calgon Carbon Corporation;
- Employees of Bruner Division of Calgon Corporation;
- Employees of Baltimore Aircoil Company, Inc.;
- Employees of the Pacific Pumping Company Division of Baltimore Aircoil Company, Inc.;
- Employees of BAC-Pritchard, Inc.;
- Employees of Kelco Division of Merck & Co., Inc.;
- Employees of Spafas, Incorporated;
- Former employees of Flintkote Company;
- Employees who participated in the Retirement Income Plan for Participating Subsidiaries (BAC-Pritchard, Inc.);
- Employees who participated in the Pension Plan for Hourly Rated Employees of the Neville Island Plant;
- Employees who participated in the Retirement Income Plan for Hourly Rated Employees of the Big Sandy Plant;
- Former employees of Vestal Laboratories;
- Participants employed at the Marine Magnesium Facility in South San Francisco;
- Employees who participated in the Retirement Plan for the Hourly Rated Employees of the Sonora-Dolomite Plant;
- Former employees of Packwood Company subsequently employed by Calgon Corporation;
- Employees of Calgon Vestal Laboratories Wholesaler/Distributor Group;
- Employees of Calgon Water Management Division;
- Employees of Astra/Merck, Inc.;
- Employees of Calgon Vestal Laboratories;
- Former employees of Merck & Co., Inc. who Transferred to Merial;
- Employees of the Company’s Crop Protection Business;
- Certain employees eligible for VRIP;
- Certain Company employees separated between June 1, 1994 and May 31, 1997;
- Employees who left mandatory contributions in the plan since 1972; and
- Employees with benefits accrued before January 1, 1956 under the Prudential Contract.

For more information about these special provisions, contact Employee Services. See Contact Information.