


YOUR GUIDE TO


Merck's 2014 Benefits Programs and Annual Enrollment

2014 Annual Enrollment for Merck's Health and Insurance Benefits
OCT. 11 — NOV. 1, 2013

ABOUT THIS GUIDE

Your Guide to Merck's 2014 Benefits Programs and Annual Enrollment describes the health and insurance benefits available in 2014 for active, newly hired, rehired and transferred employees, U.S. expatriates¹ and employees on Long-Term Disability (LTD).²

If you are a newly hired, rehired, transferred or newly U.S. benefits-eligible employee, look for the  throughout this guide. It indicates additional information specific to you as a newly hired, rehired, transferred or newly U.S. benefits-eligible Merck employee.

If you are an employee on LTD, look for the  throughout the guide. It indicates additional information specific to you as an LTD participant.

ABOUT THE 2014 ANNUAL ENROLLMENT PERIOD (Oct. 11 to Nov. 1, 2013)

As an existing employee, annual enrollment is your opportunity to enroll in or make changes to your health and insurance benefits at Merck for coverage effective Jan. 1, 2014.

In 2014, we will continue to offer a comprehensive package of health and insurance benefits, which is designed to support the health and well-being of you and your family and to protect you from financial hardship.

Merck remains committed to providing high-quality, valuable health coverage for eligible employees and their families while also balancing our company's need to manage expenses in an increasingly competitive business environment.

¹ The medical and dental plan information described in this guide is not applicable to U.S. expatriates. Please see the *2014 Annual Enrollment Guide for International Employees* for information about your 2014 medical and dental coverage.

² Refer to page 10 for detailed eligibility information.

TOTAL REWARDS



The benefits program is an important part of Merck's Total Rewards — a valuable set of programs and resources that support your professional and personal well-being. At Merck, we know “healthy” goes beyond your physical well-being to include your financial and emotional well-being. Our programs are among the best in the country and reflect our commitment to provide you and your family with resources to be well.

Medical, Dental, Vision, Life & Other Insurances

When it comes to creating real value, offering high-quality health insurance at competitive rates, along with disability and life insurance, provides you and your family financial security and peace of mind.

Retirement Program

Merck offers both pension and 401(k) plans in which you and Merck share responsibility for your retirement savings. Merck also continues to offer retiree medical coverage to eligible participants. Your costs and the company subsidy, if any, vary based on a variety of factors.

LIVE IT. Be Well at Merck

LIVE IT is Merck's comprehensive, voluntary employee health and wellness initiative. You and eligible family members can achieve your health goals by using helpful *LIVE IT* tools, programs and information, including:

- Health Advocate
- Personal Health Coaching
- Weight Watchers Reimbursement Program and more.

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Availability of Summary Health Information Required Under Health Care Reform

The Merck-sponsored medical plan in which you are eligible to participate may offer different medical coverage options. Choosing a medical coverage option is an important decision. To help you make an informed choice, and to comply with the requirements of the health care reform law, Merck now makes available Summaries of Benefits and Coverage (SBCs), which summarize important information about each medical coverage option in a standard format to help you compare across options. Note that you may not be eligible for each of the medical coverage options described in the SBCs.

The SBCs (and a link to the Uniform Glossary) are available at <http://netbenefits.com/merck> under Medical Plan Details. The Uniform Glossary, a document that defines health coverage-related and medical terms used in the SBCs, is available at www.dol.gov/ebsa/pdf/SBCUniformGlossary.pdf. You can also receive a paper copy of the SBCs and the Uniform Glossary free of charge by calling the Merck Benefits Service Center at Fidelity at 800-66-MERCK (800-666-3725). More information about the Merck-sponsored medical plan and the medical coverage options is available in the Summary Plan Descriptions (SPDs) available on Sync, the Merck intranet site or from the Merck Benefits Service Center at Fidelity.

TAKE ACTION FOR ANNUAL ENROLLMENT!



For 2014, you have four important actions to take:

- 1 **Read this guide** to learn about the benefits and resources available to you.
- 2 **Take your Personal Health Assessment (PHA)** on www.liveitmerck.com before the Nov. 1, 2013 deadline to receive a reduction in your 2014 medical contribution. You must take the PHA each year to receive your Personal Health Summary and earn your *LIVE IT* reward. See page 30 for more information.
- 3 **Review the eligibility criteria** for your covered dependents to confirm they continue to meet the Plan's definition of an eligible dependent. If not, be sure to drop them from coverage during annual enrollment before the upcoming Dependent Eligibility Audit.
- 4 **Log on to <http://netbenefits.com/merck> to enroll** in your 2014 benefits before the Nov. 1, 2013 deadline. Be sure to review your beneficiary designations and confirm that your home address on file with Fidelity is correct. If you need to update your home address, go to Sync and select About Me > My Secure Profile (log-in required) > My Profile > Personal Information > Edit.

What if I Do Not Take Action by Nov. 1?

You generally will receive the same health and insurance coverage in 2014 as you have in 2013 (provided that coverage is available to you¹, and your covered dependents continue to qualify as eligible dependents), except for Flexible Spending Accounts (FSAs). To participate in the FSAs in 2014, you must actively enroll during annual enrollment.

Employees on LTD may generally enroll or make changes to medical, dental, vision and life insurance coverage (may only decrease or drop coverage for life insurance). Changes to other coverages are not permitted. See the overview of each plan beginning on page 16 for more details.

LTD

¹ The Merck 80/20 — Horizon BCBS Medical Plan option will no longer be offered effective Jan. 1, 2014. If you are currently a Merck 80/20 — Horizon BCBS Medical Plan option participant and do not make an election by Nov. 1, you will be automatically enrolled in the Merck PPO — Horizon BCBS Medical Plan option, under your current coverage level beginning Jan. 1, 2014.

The Merck Benefits Service Center at Fidelity

The Merck Benefits Service Center at Fidelity ("Benefits Service Center") can help you with enrollment, general benefits information and questions. You can also access SPDs for the various benefit plans. It is administered by Fidelity Investments and available online and by phone.

Online:	By Phone:
<p>Log on to Fidelity NetBenefits® at http://netbenefits.com/merck.</p> <p>If you have an existing Fidelity NetBenefits® account, use the same username/password information you used previously.</p> <p>If you have forgotten your username or password, you will need to reset it using "Having trouble with your username or password?" on the login page. When you change your username or password, the change will apply to all your Fidelity accounts and services going forward.</p>	<p>Call 800-66-MERCK (800-666-3725) or TDD at 888-343-0860.</p> <p>Representatives are available Monday through Friday (excluding New York Stock Exchange holidays) between 8:30 a.m. and 8:30 p.m., ET.</p> <p>For overseas calls, dial your country's toll-free AT&T Direct® access number then enter 800-666-3725. In the U.S., call 800-331-1140 to obtain AT&T Direct access numbers.</p>

To contact the Benefits Service Center online or by phone, you will need a password. Your password provides security to ensure that only you can access your benefits information. Keep your password in a confidential place.

You can establish your password directly online or by calling the Benefits Service Center.


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Enrollment Instructions for New Hires

Follow the steps below to enroll for coverage:

1. **Read this guide** to learn about the benefits and resources available to you.
2. **Review the New Hire Default Coverage chart** located on page 50 of this guide. The chart will show you what coverage you will receive if you do not enroll within your initial 30-day enrollment period (which starts as of the date of the cover letter provided in your enrollment materials from the Benefits Service Center).
3. **Review the eligibility criteria** for your covered dependents (see page 10) to ensure the dependents that you choose to cover meet the Plan's definition of eligible dependents.
4. **Register for Fidelity NetBenefits® at <http://netbenefits.com/merck>**. Once registered, you can view your options, coverage levels and employee contribution amounts for the various benefit programs.
5. **Enroll for your health and insurance benefits** within your initial **30-day enrollment period** by logging on to **<http://netbenefits.com/merck>**.
6. **Designate your beneficiaries online** for the applicable benefit plans (Life Insurance, Savings Plan).

If you are hired in the fourth quarter of 2014, you will also need to enroll for your 2015 benefits. You will receive a letter from the Benefits Service Center explaining the additional actions you need to take before the deadline.

2014 Annual Enrollment Checklist

To help you prepare for the online enrollment process, we recommend you mark your decisions on the following checklist. Then, go to <http://netbenefits.com/merck> to take action.

PLAN	OPTION	COVERAGE LEVEL
Medical	Choose your Medical Plan option: <ul style="list-style-type: none"> <input type="checkbox"/> Merck PPO — Horizon BCBS <input type="checkbox"/> Merck PPO — Aetna Choice POS II <input type="checkbox"/> Health Plan Hawaii Plus HMO (Hawaii residents only) <input type="checkbox"/> Kaiser HMO (CA only) — Closed to new entrants <input type="checkbox"/> No coverage 	Choose your coverage level: <ul style="list-style-type: none"> <input type="checkbox"/> Employee Only <input type="checkbox"/> Employee + Spouse/Same-Sex Domestic Partner <input type="checkbox"/> Employee + Child(ren) <input type="checkbox"/> Employee + Spouse/Same-Sex Domestic Partner + Child(ren)
Dental	Choose your Dental Plan option: <ul style="list-style-type: none"> <input type="checkbox"/> Comprehensive Dental — MetLife <input type="checkbox"/> No coverage 	Choose your coverage level: <ul style="list-style-type: none"> <input type="checkbox"/> Employee Only <input type="checkbox"/> Employee + Spouse/Same-Sex Domestic Partner <input type="checkbox"/> Employee + Child(ren) <input type="checkbox"/> Employee + Spouse/Same-Sex Domestic Partner + Child(ren)
Vision	Choose your Vision Plan option: <ul style="list-style-type: none"> <input type="checkbox"/> Vision — VSP <input type="checkbox"/> No coverage 	Choose your coverage level: <ul style="list-style-type: none"> <input type="checkbox"/> Employee Only <input type="checkbox"/> Employee + Spouse/Same-Sex Domestic Partner <input type="checkbox"/> Employee + Child(ren) <input type="checkbox"/> Employee + Spouse/Same-Sex Domestic Partner + Child(ren)

DID YOU KNOW?

It's important to keep your home address on file with the company up-to-date to ensure that you receive important benefits information and correct tax withholding and reporting. To update your home address, go to Sync and select About Me > My Secure Profile (login required) > My Profile > Personal Information > Edit. Make any necessary updates and select "Save."



PLAN	OPTION
Eligible Dependents	<input type="checkbox"/> Confirm that the dependents you want to cover meet the plans' dependent eligibility rules (see page 10). If not, remove your dependents from coverage during annual enrollment and reduce your coverage level, if necessary. <input type="checkbox"/> Check dependent data and update any missing information (e.g., Social Security numbers).
Health Care Flexible Spending Account	<input type="checkbox"/> Contribution amount between \$120 and \$2,500 (\$_____)
Dependent Care Flexible Spending Account	<input type="checkbox"/> Contribution amount between \$120 and \$5,000 (\$_____)
Life Insurance¹	<p>Optional Life Insurance (options range from 1x to 8x base pay)</p> <input type="checkbox"/> Optional Life Insurance (_____ x base pay)
	<p>Accidental Death and Dismemberment Insurance (options range from 1x to 8x base pay – up to \$1 million)</p> <input type="checkbox"/> Accidental Death and Dismemberment (AD&D) Insurance (_____ x base pay)
	<p>Dependent Life Insurance (options are \$10,000, \$25,000, \$50,000 or \$100,000)</p> <input type="checkbox"/> Dependent Life/Spouse/Same-Sex Domestic Partner Insurance (\$_____) <input type="checkbox"/> Dependent Life/Child Insurance (\$10,000)
	<input type="checkbox"/> Designate your beneficiary with the Benefits Service Center.
Long-Term Disability (LTD)¹	<input type="checkbox"/> 60% of base pay before-tax <input type="checkbox"/> 60% of base pay after-tax <input type="checkbox"/> 70% of base pay after-tax
Long-Term Care (LTC) Insurance¹	<input type="checkbox"/> Contact CNA, the LTC administrator, directly at 866-434-5824 for the available options, contribution amounts and to enroll for coverage. <input type="checkbox"/> No coverage
Group Legal	<input type="checkbox"/> Enroll for coverage <input type="checkbox"/> No coverage
Group Auto and Home Insurance	<input type="checkbox"/> Contact MetLife directly at 800-438-6388 to enroll at any time. <input type="checkbox"/> No coverage
LIVE IT	<input type="checkbox"/> Complete your PHA on www.liveitmerck.com by Nov. 1, 2013 to receive the incentive reward in 2014. The reward is not available to new hires/transfers/U.S. expatriates in 2014. <input type="checkbox"/> Encourage your covered spouse/same-sex domestic partner to complete the PHA.

¹ Changes to coverage levels may be subject to the Plan's Evidence of Insurability (EOI) or other requirements.

WHAT'S NEW FOR 2014?



For 2014, there are several important changes to the medical, prescription drug and dental plans, which are outlined on the following page. All other benefit plans and programs for active employees will remain the same except as outlined in this section.

For details, refer to the overview of each plan beginning on page 16 of this guide or the SPDs, available on Sync in the About Me section, or the Fidelity NetBenefits® website at <http://netbenefits.com/merck>.

What you pay for health care coverage will increase to take into account the overall increase to health care costs, due in part to increased use of services under the plans. As a result of favorable claims experience, we have negotiated a 7% reduction in Optional Life Insurance rates. All other employee contributions will remain unchanged in 2014.

DID YOU KNOW?

One of the provisions of health care reform is to require medical plans to have an inclusive out-of-pocket maximum. This means the expenses participants pay toward covered services such as copayments, coinsurance and deductibles are applied toward the annual out-of-pocket maximum. By law, in 2014, the maximum out-of-pocket maximum is \$6,350 per individual and \$12,700 per family, and can exclude other coverages, such as prescription drugs, until 2015. Merck has decided to introduce a separate prescription drug out-of-pocket maximum in 2014, which, when combined with the medical benefits out-of-maximum, satisfies the legal requirements one year ahead of schedule. **Note:** Merck's out-of-pocket maximums are lower than the legal requirement, particularly for those in the lower salary bands.

2014 HEALTH AND INSURANCE BENEFITS PROGRAM CHANGES

Plan	Change
Medical Plan	<ul style="list-style-type: none"> Office visit copays for non-preventive care visits have been replaced by deductibles and coinsurance. This generally means you pay expenses until you reach the annual deductible, and then pay a percentage of the cost of care, called coinsurance, up to your annual out-of-pocket maximum. Preventive care visits will continue to be covered at 100% with no deductible from in-network providers. Your coinsurance amount for in-network covered services and your annual deductible will be increasing, and will now count toward your annual out-of-pocket maximum. As a result, your annual out-of-pocket maximum is increasing. Applied behavioral analysis (ABA) therapy for autism spectrum disorder will be covered for children up to age 21. Pre-authorization and medical necessity are required. The Merck 80/20 — Horizon BCBS option will no longer be offered.
Prescription Drug	<ul style="list-style-type: none"> Change from copay to coinsurance for non-Merck brand drugs (up to a maximum per prescription). Change to coinsurance for non-Merck brand name drugs when a generic is available. Removal of non-Merck brand prescription drugs from the \$0 copay list. Introduction of an individual and family out-of-pocket maximum for prescription drug coverage to better protect you from financial hardship.
Dental Plan	<ul style="list-style-type: none"> Several changes to covered services are being made to adapt to current clinical standards and respond to employees' needs. See page 33 for details.
Long-Term Care (LTC)	<ul style="list-style-type: none"> Contributions for LTC will be direct billed through CNA and no longer deducted from your paycheck.
<i>LIVE IT: Be Well</i> at Merck	<ul style="list-style-type: none"> New and improved PHA and <i>LIVE IT</i> website. Access <i>LIVE IT</i> website, resources and programs via your mobile device.
Life Insurance	<ul style="list-style-type: none"> The contribution schedule for Optional Life Insurance is decreasing 7%.

Note: The Medical Plan changes apply to the Merck PPO — Horizon BCBS and Merck PPO — Aetna Choice POS II options only. These changes do not apply to Health Plan Plus Hawaii HMO or Kaiser Permanente HMO options. If you are enrolled in an HMO option, call your carrier directly about changes, if any, for 2014. See page 57 for contact information.

Health Care Reform Update

The Patient Protection and Affordable Care Act (ACA), also referred to as health care reform, was enacted primarily to increase access to health care coverage for uninsured Americans and reduce the overall costs of health care while improving the quality. Provisions started to become effective in 2010, with additional provisions becoming effective in 2014 and later.

As the health care landscape changes with the implementation of the ACA, Merck will continue to ensure that competitive programs designed to meet employees' needs and those of their families are available, while at the same time complying with the law.

One component of the ACA is the introduction of an excise tax (also known as the "Cadillac Tax") in 2018, which is a 40% tax paid by employers on the value of the medical plan coverage (including prescription drug) that exceeds certain dollar limits, as determined annually by the government. Merck's current intent is to continue to provide comprehensive, valuable, high-quality medical coverage to its employees while at the same time implementing those plan design changes that it determines are necessary to ensure that the value of Merck's medical coverage does not hit the threshold for the imposition of the Excise Tax.

Understanding the Health Insurance Marketplace

The Health Insurance Marketplace (or "exchange") is a virtual "market" that brings together the state or federally-regulated health care coverage options that will be available to many Americans beginning in 2014. The Marketplace provides you the opportunity to directly purchase health care coverage for you and/or your family instead of buying health care coverage through Merck.

Because Merck's Medical Plan is intended to be affordable and meets the minimum value standard under the Affordable Care Act, you and your eligible dependents are unlikely to be eligible for a federal subsidy to purchase coverage in the Health Insurance Marketplace that are otherwise available to people who meet certain financial criteria. Therefore, you may not be interested in the Marketplace offerings. However, the Marketplace offerings may provide an alternative for those family members who are not eligible for coverage under the Merck Medical Plan or for any dependent who may be eligible for the federal subsidy.

For more information about the Health Insurance Marketplace, visit <https://www.healthcare.gov/marketplace/individual>.

To help evaluate what options may be right for you or your family members (including parents and parents-in-law), you can also contact Health Advocate at 855-675-5463. Health Advocate is a confidential service provided by Merck at no cost to you. See page 32 for details about Health Advocate.

DID YOU KNOW?

As part of health care reform and the transitional reinsurance program beginning in 2014, Merck is required to pay a reinsurance fee of \$63 per covered individual enrolled in Merck medical coverage. This fee will help provide funding to insurers that incur high claim costs for enrollees in the individual market, both inside and outside the Health Insurance Marketplace.

Merck's Plans currently cover approximately 100,000 individuals, which amounts to over \$6,000,000 in *additional* Plan expenses for 2014.

WHAT YOU DO MATTERS



While health care costs are reportedly beginning to slow down, survey data shows that most large companies will see a 6.5% increase for 2014.¹ At Merck, our health care costs continue to increase at an unsustainable rate of 8% to 10% each year.

As a company, we review our benefits plans each year to make sure they align to the marketplace and that we provide you with access to comprehensive, valuable benefits that offer you financial protection in the event of an unexpected illness or injury.

It is important that we continue to work together to control health care costs. The best opportunity to maintain affordable benefits is for each of us to take responsibility for our own health and health care spending. That's why you should take an active role in your health. By doing so, you can reduce your personal health expenses, which helps reduce the overall increase in costs that are shared with you through contribution increases.

Review the following tips to become a smarter health care consumer today and throughout the year.

What Can You Do to Stay Healthy?

- **See your doctor for an annual physical.** Make sure you are up-to-date on your health screenings and immunizations. Getting the right health screenings each year can reduce your risk for many serious conditions. And remember, all in-network preventive care services are covered at 100% and are not subject to a deductible.
- **Improve or maintain your health.** Exercise regularly and get fit. Eat well and maintain a healthy weight. Quit smoking and limit your alcohol intake. Take advantage of the *LIVE IT* health management tools and resources.
- **Follow your treatment plan.** Keep appointments. Take your prescribed medications. Make sure that any chronic conditions are proactively managed. Follow up with your doctor if you have any questions or concerns.


¹ PricewaterhouseCooper's Health Research Institute 2013 Health and Well-Being Touchstone Survey

When You Need Care, What Can You Do to Manage Your Costs?

- **Consider calling the Health Advocate 24-hour NurseLine before you visit the doctor for non-urgent concerns.** A registered nurse can answer your questions about your symptoms/conditions and may be able to recommend a course of treatment and save you a trip to your doctor.
- **Visit in-network providers.** When you use in-network providers, your out-of-pocket costs will be less since the rates are pre-negotiated and discounted.
- **Shop for your health care needs.** It is more important than ever to know what health care costs are before you receive treatment. Knowing your options and their cost will allow you to select the right care at a price you can afford. Check your benefit coverage before you make an appointment for a visit, test or medical procedure. And be sure to use the most cost-effective type of facility for the medical service you need. For example, an MRI at an independent radiology facility may cost half the price of the same test at a hospital. See page 27 for more information for tools to help you become a better health care consumer.
- **See if a generic or lower cost non-Merck brand drug is an option for your prescription.** If you have a prescription for a non-Merck brand drug, ask your doctor or pharmacist if a generic or a lower cost brand drug in the same therapeutic class is available. Beginning in 2014, you will pay a coinsurance amount for your non-Merck brand drug, up to a maximum dollar amount, so the price of the drug directly impacts your cost.
- **Use the Express Scripts PharmacySM home delivery service for your maintenance medications.** Contact Express Scripts to see if your medicine is available through its home delivery service. You can receive up to a 90-day supply for the same cost you would pay for up to a 60-day supply at a retail pharmacy for generic prescriptions. For non-Merck brand drugs, you can benefit from the lower price through home delivery.
- **Reduce administrative costs.** Choose to receive your provider communications such as Explanation of Benefits (EOBs) via e-mail instead of receiving printed copies through the mail.
- **Use Health Advocate.** Whether you need help understanding a treatment plan or assistance with a medical claim, Health Advocate will help you navigate your health care needs.
- **Enroll in the Health Care Flexible Spending Account.** You can set aside up to \$2,500 per year before federal, Social Security and, depending on where you live, state and local taxes are withheld from your pay. You can use this money to pay for certain health care expenses not covered or partially covered under your medical, dental or vision coverage.

DID YOU KNOW?

Merck will spend nearly \$400 million on health care benefits for active U.S. employees in 2014.



ITEMS TO CONSIDER



Are Your Dependents Eligible for Coverage?

You may enroll your spouse/same-sex domestic partner, children (including your same-sex domestic partner's children) up to age 26 and eligible disabled children up to any age in many of Merck's health and insurance plans, as described in this guide.

It is important to confirm any covered dependents continue to meet the eligibility requirements as outlined below:

- **Your spouse:** The person recognized as your legal spouse under federal tax law, including your same-sex spouse provided you were married in a jurisdiction that recognizes same-sex marriage. See page 12.
- Note:** An ex-spouse is not eligible to be covered as an eligible dependent under the terms of the plans, even if there is a court order requiring you to provide health benefits coverage to your ex-spouse.
- **Same-sex domestic partner:** A person with whom you share an ongoing, exclusive, emotionally-committed relationship (and intend to do so indefinitely) and within this same-sex domestic partnership, you both meet **all** of the following criteria:
 - Are the same-sex
 - Are at least age 18 and mentally competent to enter into a legal contract

- Are not related by blood or adoption to a degree closer than permitted by state law for marriage
- Are not legally married to — or the domestic partner of — anyone else
- Are jointly responsible for each other's welfare, financial and other obligations
- Reside together in the same household — and have done so for **at least 12 months**
- Have registered the same-sex relationship — if residing in a state/municipality that permits such registration, and
- Are not legal spouses of each other for purposes of federal income tax law.

Keep in mind, when you enroll a same-sex domestic partner (and any dependents), you are required to indicate whether or not they are a federally tax-qualified dependent. Generally, a federally tax-qualified dependent must meet certain requirements regarding relationship, residence, age and support as outlined by the IRS. You should consult with your tax advisor to determine if your same-sex domestic partner (and any dependents) are federally tax-qualified. If your same-sex domestic partner is not a federally tax-qualified dependent, benefits are considered taxable and are subject to imputed income.

If your spouse/same-sex domestic partner is a Merck employee represented by USW 10-00086, he/she does not qualify as a dependent under your medical, dental and vision plan coverage.

- **Your children**, up to the end of the month in which they reach age 26. Children mean your:
 - Biological children
 - Stepchildren, including your spouse's/same-sex domestic partner's biological children, foster children, legally adopted children and children for whom your spouse/same-sex domestic partner is legal guardian, in each case who are not also your biological children, foster children, legally adopted children and children for whom you are legal guardian
 - Foster children
 - Legally adopted children (eligibility begins on the date of placement for adoption or commencement of legal obligation to provide support in anticipation of adoption)
 - Children for whom you are legal guardian, and
 - Those for whom coverage is required by a Qualified Medical Child Support Order (QMCSO).

While coverage is extended to your children through the last day of the month they reach age 26, this coverage does not extend to your child's spouse/same-sex domestic partner or your child's children, unless they would otherwise meet the definition of eligible dependents.

If your dependent child is physically or mentally disabled, coverage for your child may continue beyond age 26, provided your child's disability begins before the date he/she reaches the age at which coverage would otherwise end. Contact your Medical Plan Administrator or call the Benefits Service Center for more information.

What if my dependent is no longer eligible?

If your dependent does not currently or in the future no longer meets the eligibility requirements for coverage (for example, your child is over age 26 or you and your spouse get divorced), you must contact the Benefits Service Center immediately to be sure his or her coverage is terminated.

You must contact the Benefits Service Center within 60 days of the date your dependent's eligibility ends in order for your dependent to be eligible for medical, dental and/or vision continuation coverage through COBRA. Dropping a dependent from coverage during annual enrollment by reducing your coverage level does not constitute notice to the Benefits Service Center that your dependent has lost coverage under circumstances which would entitle the dependent to continue coverage under COBRA. Regardless of when you notify the Benefits Service Center, coverage for your ineligible dependent will end as described in the SPD for the applicable plan.

Will Merck audit my dependent's coverage?

The company, in its sole discretion, maintains the right to audit any and all dependent information on file, and may require that you promptly provide sufficient documentation verifying your covered dependents' continued eligibility at any time. An audit is planned for 2014. See page 14 for details.

DID YOU KNOW?

As a result of health care reform, dependents can be enrolled in the Merck Medical Plan up until age 26. Due to this important requirement, the Merck Medical Plan now provides coverage to over 2,000 new dependents since 2010 at an estimated annual cost of \$7,000,000.



DOMA and Merck's U.S. Benefits

On June 26, 2013 the Supreme Court struck down Section 3 of the Defense of Marriage Act (DOMA), which bars federal recognition of same-sex marriages. Merck supports this historic ruling, which aligns with our corporate philosophy toward the fair and equitable treatment of all employees, regardless of characteristics such as age, gender, religious beliefs or sexual orientation.

While Merck already offers the same policies, benefits and provisions, as allowable by law, to lesbian, gay, bisexual and transgender (LGBT) couples in a same-sex domestic partnership as we do to heterosexual married couples, we are pleased to be able to recognize same-sex couples legally married in jurisdictions that recognize their marriage for federal tax purposes under Merck's plans.

What You Can Do for 2014

If you were married in a jurisdiction that recognizes same-sex marriage, you may elect to enroll your spouse for coverage effective Jan. 1, 2014 in Merck's benefit plans as follows:

- **Medical, Dental, Vision:** To add your spouse to coverage for 2014, you must call a Benefits Service Center representative and make your elections by phone before the Nov. 1 annual enrollment deadline. This will ensure that imputed income will not apply to you for 2014. Online enrollment for a same-sex spouse is not available at this time.
- **Life Insurance:** You may elect Dependent Life spouse/same-sex domestic partner coverage, subject to EOI, during annual enrollment.
- **Health Care Flexible Spending Account (FSA):** If you elect to participate for 2014, your spouse's 2014 health care expenses are eligible for reimbursement from your Health Care FSA.
- **Merck Savings and Retirement Plans:** The spousal rules in effect under the Merck Savings and Retirement Plans now apply to you. Be sure to review the applicable Merck SPD for more information.

If you are not legally married, your same-sex domestic partner is not considered your spouse, and the following continues to apply to you:

- **Medical, Dental, Vision:** You can still elect to cover your partner as a same-sex domestic partner; however, imputed income will apply unless he or she meets the definition of your tax dependent under the Internal Revenue Code. For more information about the definition of a tax-qualified dependent, see the Medical, Dental and/or Vision Plan SPDs.
- **Life Insurance:** You may elect Dependent Life spouse/same-sex domestic partner coverage, subject to EOI.
- **Health Care Flexible Spending Account (FSA):** Your same-sex domestic partner's 2014 health care expenses are not eligible for reimbursement from your Health Care FSA, unless he or she meets the definition of your tax dependent under the Internal Revenue Code.
- **Merck Savings and Retirement Plans:** The spousal rules in effect under the Merck Savings and Retirement Plans do not apply to you.

What You Can Do for 2013

The DOMA ruling has widespread implications for our benefits as well as the systems that administer our benefits. The system changes necessary to change your qualifying same-sex domestic partner to a spouse for 2013 are not ready.

If you already cover your spouse as a same-sex domestic partner under Merck's Medical, Dental or Vision Plans and you were married in a jurisdiction that recognizes same-sex marriage, you can call the Benefits Service Center to request that your spouse/same-sex domestic partner's dependent status is changed to Qualified Domestic Partner. This will ensure that imputed income will not apply to you for 2013¹ for the Medical, Dental and Vision Plans, and your spouse's eligible expenses may be reimbursed through your Health Care FSA, if any.

Status Changes

Please note that the DOMA ruling is not recognized as a permitted plan change under Merck's benefits plans. Therefore, if you were previously married in a jurisdiction that recognizes same-sex marriage, you cannot add your spouse as a result of the ruling.

If you get married

Getting married is a permitted plan change under Merck's benefits. Therefore, if you get married in a jurisdiction that recognizes same-sex marriage, you are eligible to add your new spouse to coverage, as long as you contact the Benefits Service Center within 30 days of the event.

We Will Continue to Provide Updates

We recognize that there are more questions to be addressed and are continuing our review of Merck's benefits, programs and procedures in light of the ruling. We will continue to provide employee updates about the resulting changes as soon as feasible.

Questions

If you have questions, contact 800-66-MERCK (800-666-3725). Representatives are available Monday through Friday (excluding New York Stock Exchange holidays) between 8:30 a.m. and 8:30 p.m., ET.

¹ The change will apply prospectively, as soon as administratively feasible. Retroactive application is yet to be determined.

2014 Dependent Eligibility Audit

One way to reduce health care costs is to make sure Merck's coverage extends only to those who are eligible. That's why Merck will partner with Aon Hewitt — a leading provider of human capital and management consulting services — to conduct a dependent eligibility audit in early 2014. As part of the audit, you will need to provide the requested proof of dependent eligibility for any covered dependents. In early 2014, you will receive a letter describing the information you will need to provide and the steps you will need to take to confirm your dependents' eligibility. You will need to submit the requested documents in a timely manner as indicated in the materials you receive or your dependents will be dropped from coverage.

What can you do now to prepare?

Annual enrollment is the perfect time to review the dependents that you currently cover to make sure that they meet the definition for an eligible dependent under the Merck Medical Plan, and to start gathering the necessary documentation such as marriage and birth certificates that will be requested later. Refer to the definition of eligible dependent on page 10. For a more detailed definition of an eligible dependent, refer to the Medical Plan SPD.

If any of your covered dependents no longer meet the definition of an eligible dependent, this fall's annual enrollment period is your opportunity to drop coverage (and change your coverage level, if applicable) for him or her without consequences.

If you do not promptly provide documentation sufficient to verify your covered dependents' continued eligibility or if the company determines that any of the information you provide (or provided) regarding your covered dependents is untrue, incomplete or misleading, or if you fail to promptly notify the Benefits Service Center of an individual's loss of eligibility, the company may take such action as it deems appropriate under the circumstances. Those actions may include, but are not limited to, the retroactive termination of benefits for your ineligible dependent or requiring you to repay the Plan for any benefits paid with respect to your ineligible dependent.

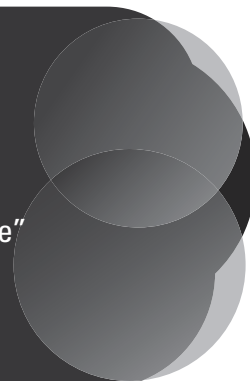
Who is considered an ineligible dependent?

Here are a few examples of ineligible dependents under the Merck Medical Plan:

- A former spouse even if your divorce decree requires coverage,
- Your parents, or
- Your grandchildren, nieces, nephews who are not your foster children or children for whom you are legal guardian.

DID YOU KNOW?

Beginning in January 2014, as a result of ACA, individuals will be able to purchase health care coverage through a state or federally run Health Insurance Marketplace. Open enrollment for the state and federally run Health Insurance Marketplace is set to begin on Oct. 1, 2013. If you are interested in obtaining coverage for a "Merck-ineligible" dependent through a Health Insurance Marketplace, visit the federal Marketplace website at <https://www.healthcare.gov/marketplace/individual>. See page 7 for more information about the Health Insurance Marketplace.





CONSUMER TIP: Does your spouse and/or your children have other coverage available, such as through his or her employer's plan?

Carefully consider all the options for health care coverage available to you to determine which one best meets your personal needs as well as your financial needs. Depending on your situation and the cost and coverage available to you and your family members, it might be cost-effective to “split” coverage and have yourself and/or your children covered under your plan and your spouse and/or children covered under your spouse's plan. Contact Health Advocate at 855-675-5463 to help guide you through the decision making process.

Should You Have Other Benefits Coverage?

Merck's health benefits plans have a non-duplication of benefits provision. This means that when you have other medical or dental coverage — such as through your spouse's or same-sex domestic partner's employer — the company coordinates payments with the other plan so that you do not receive a higher benefit from the Merck Plan than what the Merck Plan would have paid in the absence of any other coverage. Non-Merck plans may have different rules about how to coordinate benefits, so check each plan's rules carefully before making your enrollment decisions. See the Coordination of Benefits section of the SPD for details.

What If You Need to Make Changes to Your Benefits During the Year?

Your contributions for medical, dental, vision, spending accounts and, in certain cases, long-term disability are deducted from your paycheck on a before-tax basis. This means you lower your taxable income and, as a result, you pay less in taxes. In exchange for this tax break, the IRS imposes some rules to make sure you use your benefits as intended, including the rule that once the current enrollment period ends, you cannot make changes until the next enrollment period. Note also that for administrative consistency, unless otherwise specified, this rule also applies to those Merck health and insurance benefits that you pay for on an after-tax basis. Therefore, be sure to make your decisions during annual enrollment carefully.

An exception to this rule, however, will apply if you have what is called a qualified status change or HIPAA special enrollment event, such as getting married, having a baby, experiencing a significant increase in the amount you pay for dependent care or losing other coverage. If you have a qualified event, you must contact the Benefits Service Center within 30 days of the status change or event to make a change to your coverage. If you do not notify the Benefits Service Center within 30 days, you will need to wait until the next annual enrollment period to make any change for coverage effective the following Jan. 1.

If You Have a Life Event in the Fourth Quarter

If you experience a qualified life event (e.g., birth or adoption of a child, marriage, divorce) before the end of the year and want to make a change to your health and insurance benefits, you must contact the Benefits Service Center within 30 days of the event to ensure both your current year and next year's coverage elections correctly reflect any changes made to your benefits due to your life event.

New Hires: If you are hired in the fourth quarter of 2014, you will also need to enroll for your 2015 benefits. You will receive a letter from the Benefits Service Center explaining the additional actions you need to take before the deadline.

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MEDICAL PLAN



This section contains the following information about the Medical Plan.

Options.....	18	Behavioral Health Care Benefits.....	26
Costs for 2014.....	19	Employee Assistance Program	26
Summary of Benefits	21	How to Shop for Your Health Care	27
Prescription Drug Benefits.....	23		

In our continuing efforts to streamline our medical plan offerings, to more closely align with the offerings of other national large employers and to manage our health care costs, we will be making the following changes for 2014.

- There will no longer be copays for office visits under the Merck PPO Medical Plan options. Instead, the cost of office visits will be covered at a certain percentage (referred to as coinsurance), after you meet a deductible, depending on the type of service and provider and whether you visit an in-network or out-of-network provider. The PPO option covers you for 80% of in-network charges, or 70% for out-of-network charges (subject to reasonable and customary (R&C) limits), after you meet a deductible. Preventive care services (i.e., annual physical, well-baby care visits, etc.) will still be covered at 100% with no deductible from in-network providers.
- There will be new annual deductibles. See the Summary of Benefits chart on page 21 for details.
- The annual out-of-pocket maximum, which protects you from financial hardship, will now include your charges (coinsurance) for office visits and your deductible. As a result, the annual out-of-pocket maximums will be increasing.
Note: Your out-of-pocket maximum depends on your base pay and where it falls in the Merck Medical Plan's four-band out-of-pocket maximum structure. The four-band out-of-pocket maximum structure helps to ensure that your level of protection is aligned with your salary level.
- We will no longer offer the Merck 80/20 — Horizon BCBS Medical Plan option. If you and/or your family are currently enrolled in this option, you will automatically be enrolled in the Merck PPO — Horizon BCBS option under your current coverage level for coverage beginning Jan. 1, 2014. If you would like to choose another option (i.e., the Merck PPO — Aetna Choice POS II option), you must make an election during the annual enrollment period.

How does coinsurance work under the Merck PPO Options?

When you see a provider, you will not be charged a \$15 or \$25 office visit copay at the time of service. Instead, your provider will bill your claims administrator (Horizon BCBS or Aetna) for its percentage of the cost for covered services (80% (in-network) or 70% (out-of-network)) and then send you a bill for the remaining cost. Keep in mind that you must meet your deductible before you receive any reimbursement from the Plan for non-preventive services.

The amount you owe also depends upon whether or not:

- Your annual deductible and/or out-of-pocket maximum have been met.
- Your provider participates in the plan's network (if you visit an in-network provider, you will pay 20% of a pre-negotiated, discounted fee; if you visit an out-of-network provider, you will be responsible for 30% of the non-negotiated fee, up to the R&C limit, plus 100% of any amount above R&C limits).
- You are eligible for Medicare.

In-network office visits for preventive care are covered at 100% and not subject to a deductible.

How does the out-of-pocket maximum work under the Merck PPO Options?

The out-of-pocket maximum for Merck's Medical Plan options protects you financially, as it generally limits the most you will pay for medical bills in a given year. Beginning Jan. 1, 2014, your coinsurance amounts and deductible will count toward your annual out-of-pocket maximum.

The out-of-pocket maximum is the most you are required to pay for covered medical expenses in a year if you visit an in-network provider. Once you reach your out-of-pocket maximum, the Plan will pay 100% of eligible charges. If you visit an out-of-network provider, even if you reach your out-of-pocket maximum, you are still responsible for all charges above the R&C amount with no limitations. For more information about R&C amounts, see the Merck Medical Plan SPD.

NEW FOR 2014: There will be an annual out-of-pocket maximum for prescription drug coverage to offer you an additional level of financial protection. See the prescription drug section for details.

ID Cards

If you are enrolled in one of the Merck PPO Medical Plan options for 2014, you will receive a new medical ID card later this year for use beginning Jan. 1, 2014.

EXAMPLE: How Deductibles, Coinsurance and Your Out-of-Pocket Maximums Work When You Use an In-Network Provider

David suffers a fall and is taken to the hospital by ambulance. The cost of the ambulance service is \$600 and is subject to his annual deductible. David has not paid anything toward his deductible, so he is responsible for the first \$500 of the \$600 cost. He also is responsible for paying 20% coinsurance of the remaining bill.

Ambulance services:	\$600
David pays his in-network deductible:	\$500
Remaining bill:	\$100
David pays 20% of remaining bill:	\$20
Medical Plan pays 80% of remaining bill:	\$80
David's total cost:	\$520

Because David has met his \$500 in-network deductible, he will pay his 20% coinsurance for services provided by an in-network provider for the rest of the year until he reaches his out-of-pocket maximum. Once he reaches his out-of-pocket maximum, the Plan will pay 100% of covered in-network charges.

Options

Each Medical Plan option offers the same basic plan components (including prescription drug and behavioral health care benefits). However, the way benefits are delivered, the costs for coverage and services and the provider networks vary by medical option. Refer to the chart on page 21 for details.

Merck PPO — Horizon BCBS Merck PPO — Aetna Choice POS II	<ul style="list-style-type: none"> • Offers a wide range of preventive and medically necessary services and supplies • You can see any provider you choose • Benefits are higher when you receive care from in-network providers • You do not need to choose a primary care physician (PCP) • You do not need a referral to see a specialist
Health Plan Plus Hawaii HMO (Hawaii residents only)	<ul style="list-style-type: none"> • Coverage generally available only if you use in-network providers
Kaiser Permanente HMO (CA residents only; closed to new entrants)	<ul style="list-style-type: none"> • Coverage generally available only if you use in-network providers
No Coverage Option	<ul style="list-style-type: none"> • Offers no coverage for medical services (including behavioral health care) • Offers no coverage for prescription drugs (including Merck brand prescription drugs) <p>This option may make sense if you have medical coverage elsewhere (for example, through a spouse's/same-sex domestic partner's plan)</p> <p>For residents of Hawaii and Massachusetts: Due to state law requirements, employees in these states who opt-out or waive their employer's medical coverage must sign a coverage waiver form. If you live or work in one of these states, and you choose "No Coverage" under the Merck Medical Plan for 2014, a coverage waiver form will be mailed to you in the first quarter of 2014 for you to complete and return. Contact the Benefits Service Center for more information.</p>

LTD

All of the Medical Plan options require you to enroll in Medicare — Parts A and B — when you are first eligible. Once you are eligible for Medicare due to disability (after two years of Social Security disability), Medicare becomes the primary payer for you and the Merck Medical Plan becomes the secondary payer. In this case, the Medical Plan will coordinate benefits with Medicare.

While participation in Medicare Parts A and B is required, participation in Medicare Part D prescription drug coverage is voluntary and Merck does not require that you or your covered dependents sign up for Medicare Part D. For more information, see the Merck Medical Plan SPD.

NH

If you do not enroll for medical coverage during your initial 30-day enrollment period, you will automatically be enrolled in the Merck PPO — Horizon BCBS option for Employee Only coverage.

Costs for 2014

You and the company continue to share in the cost of your medical coverage.

For 2014, we are aligning the monthly contributions for the Merck PPO — Horizon BCBS option and the Merck PPO — Aetna Choice POS II option, so you should choose your option based on network providers, customer service, online tools available, etc. and not the monthly contribution. As a result, the increase in rates will vary by plan option and who you elect to cover.

The following are the full-time monthly contribution rates for 2014.¹ **Note:** These rates do not reflect the monthly medical plan contribution reduction you are eligible to receive if you complete your PHA by Nov. 1. See page 30 for more information about the *LIVE IT* PHA reduction.

	Employee Only	Employee + Spouse/Same-Sex Domestic Partner	Employee + Child(ren)	Employee + Spouse/Same-Sex Domestic Partner + Child(ren)
Merck PPO — Horizon BCBS	\$84	\$210	\$168	\$294
Merck PPO — Aetna Choice POS II	\$84	\$210	\$168	\$294
Health Plan Hawaii Plus HMO (Hawaii residents only)	\$68	\$170	\$136	\$238
Kaiser Permanente HMO (closed to new participants)	\$111	\$278	\$222	\$389

¹ If you are a part-time employee, your contribution rates will differ. Log on to <http://netbenefits.com/merck> to see the rates available to you. For 2014, there is no additional charge for Employee Only coverage for part-time employees; however, the additional charge to cover family members has increased.

LTD

Rates for employees on LTD are available online at <http://netbenefits.com/merck> or by calling the Benefits Service Center at 800-66-MERCK (800-666-3725).

If you are currently paying for your insurance coverage through deductions from your LTD benefit, you do not need to do anything. Your contributions will continue to be deducted from your LTD benefits payment through Cigna.

Please note if your health and insurance contributions exceed your LTD benefits payment, you will receive a bill from Fidelity. For more information, contact the Benefits Service Center.

If you are enrolled in Long-Term Care (LTC), you are billed directly by CNA.

As a new hire, you may take the PHA to learn about your health risks and enroll in personal health coaching and other *LIVE IT* programs; however, you are not eligible for a reduction in your 2014 Merck Medical Plan contributions.

NH

CONSUMER TIP

Complete the new and improved PHA by Nov. 1 to earn your *LIVE IT* reward. Not only will you receive a Personal Health Summary based on the latest research, you will save \$10 per month on your 2014 Medical Plan contributions. Have your spouse/same-sex domestic partner complete the PHA and save another \$10 per month (up to \$240 total) in 2014.

Understanding the Value of Your Merck Benefits

To help you better understand your health care costs, as required under health care reform, your 2013 W-2 will show the total average cost for your Merck-provided medical and prescription drug coverage based on the Medical Plan option and coverage level you select. It will include both the portion of the plan coverage paid by Merck and paid by you. The cost calculation is meant solely for informational purposes and does not cause these amounts to become subject to taxation.

DID YOU KNOW?

Merck contributes over 80% to the cost of health care per employee.¹

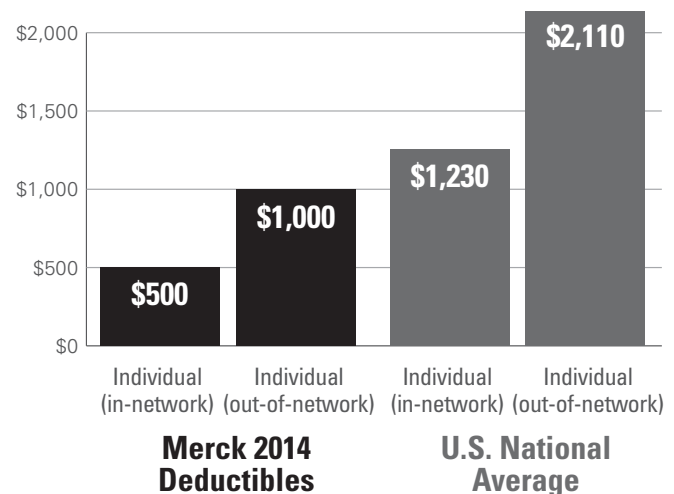
In 2014, Merck is expected to pay more than 20% more for health care costs per average employee than the average employer.^{1,2}

**Merck
2014 Total Health Care Cost
per Average Employee¹
\$14,322**



According to PricewaterhouseCoopers Health Research Institute, the average deductible for an individual across all employers in the U.S. is more than \$1,000 for in-network services and more than \$2,000 for out-of-network services.

For 2014, Merck is increasing the annual deductible amounts; however the amounts continue to fall below the national average.



¹ Health care costs represent medical and prescription drug coverage only. Costs are based on average health care premium amount and do not include out-of-pocket costs, such as your deductible and coinsurance.

² 2013 Towers Watson/National Business Group Health Employer Survey on Purchasing Value in Health Care.

Summary of Benefits

The following is a summary of the benefits offered under the Merck PPO Medical Plan option. For more specific details, refer to the appropriate section of the Medical Plan SPD.

NEW FOR 2014: Applied behavioral analysis (ABA) therapy for children up to age 21 with diagnosis of autism spectrum disorder is now covered. Pre-authorization and medical necessity are required.

SUMMARY OF BENEFITS ¹		
	Merck PPO — Horizon BCBS	
	Merck PPO — Aetna Choice POS II	
	In-Network ²	Out-of-Network
Plan Features, Highlights & Limitations		
	Individual/Family Maximum	
Annual Deductible	\$500/\$1,000	\$1,000/\$2,000
Annual Out-of-Pocket Maximum (<i>New for 2014:</i> Includes deductible)		
Varies Based on Your Base Pay at Nov. 1:		
• Under \$60,000	\$1,500/\$3,000	\$3,000/\$6,000
• \$60,001 to \$100,000	\$2,500/\$5,000	\$5,000/\$10,000
• \$100,001 to \$150,000	\$3,500/\$7,000	\$7,000/\$14,000
• \$150,001 and over	\$4,500/\$9,000	\$9,000/\$18,000
Plan Coinsurance	80%, after deductible	70% of R&C limit, after deductible
Reasonable & Customary (R&C) Charges	N/A	You pay amounts above R&C
Lifetime Maximum³	None	None
Physician Office Visits (excluding wellness benefits)	80%, after deductible	70% of R&C limit, after deductible
Wellness Benefits		
Routine Annual Physical Exams	100%, no deductible	70% of R&C limit, no deductible
Wellness/Preventive Services	100%, no deductible	70% of R&C limit, no deductible

CONSUMER TIP: Visit in-network providers

The Merck PPO plan options each have a network of doctors and hospitals who have pre-negotiated discounted rates for their services. So when you select an in-network doctor, you pay a percentage of an already-reduced rate, which means more savings for you.



¹ If you live in Hawaii or currently participate in the Kaiser Permanente HMO, refer to the medical plan comparison chart or the SPDs on <http://netbenefits.com/merck> for details on the Health Plan Plus Hawaii and Kaiser Permanente HMO options.

² In-network services are based on pre-negotiated discounted rates.

³ Other than Infertility Diagnosis and Treatment.

SUMMARY OF BENEFITS¹

	Merck PPO — Horizon BCBS Merck PPO — Aetna Choice POS II	
	In-Network ²	Out-of-Network
Emergency Services		
Ambulance	80%, after deductible	80%, after deductible
Emergency Room	80%, after deductible	80%, after deductible
Urgent Care	80%, after deductible	70% of R&C limit, after deductible
Special Services		
Chiropractic Care — Up to 25 visits per calendar year per person; maintenance therapy not covered	80%, after deductible	70% of R&C limit, after deductible
Infertility Diagnosis and Treatment — Artificial insemination, advanced reproductive treatment (ART)	80%, after deductible	70% of R&C limit, after deductible <i>Note that a combined lifetime maximum of \$25,000 applies for medical benefits across all Medical Plan options</i>
Maternity Delivery — Charges in a hospital or approved, licensed birthing center	80%, after deductible	70% of R&C limit, after deductible
Short-Term Rehabilitation — Physical therapy, occupational therapy, speech therapy	80%, after deductible	70% of R&C limit, after deductible
Mental Health • Inpatient • Outpatient	80%, after deductible 80%, after deductible	70% of R&C limit, after deductible 70% of R&C limit, after deductible
Outpatient Mental Health and Substance Abuse Care — Performed in a behavioral health care provider's office	80%, after deductible	70% of R&C limit, after deductible

Questions?

For more information, refer to the Medical Plan SPD available on <http://netbenefits.com/merck> or the About Me section of Sync, or contact the vendors directly. (See page 57 for the "Benefits Contacts" listing.)

You will receive your 2014 medical plan ID card within two to three weeks of the date you make your benefit elections.

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¹ If you live in Hawaii or currently participate in the Kaiser Permanente HMO, refer to the medical plan comparison chart or the SPDs on <http://netbenefits.com/merck> for details on the Health Plan Plus Hawaii and Kaiser Permanente HMO options.

² In-network services are based on pre-negotiated discounted rates.

Prescription Drug Benefits

The Managed Prescription Drug program, administered by Express Scripts, is included with all medical options.

Visit **www.Express-Scripts.com**, where you can:

- Compare costs
- Order refills
- Check the status of your orders
- Request more order forms and envelopes, and
- Receive refill reminders, warning of drug interactions and ways to save money.

Use the Express Scripts app to access your virtual Member ID card, refill and renew prescriptions, check your order status and more!

Download the Express Scripts app free from Apple, Google Play or Blackberry App World and search for “Express Scripts” (not Express Rx).

If you are a first-time visitor to the website, take a moment to register. Have your member ID number (located on your prescription drug ID card) and a recent prescription number handy.

2014 Prescription Drug Benefits Changes

- Copays for non-Merck brand prescription drugs replaced by coinsurance (up to a maximum per prescription).
- Change to coinsurance for non-Merck brand drugs when a generic equivalent is available.
- New \$1,500 annual out-of-pocket maximum for each covered individual, up to a \$3,000 family maximum. This enhancement limits your total annual cost for prescription drugs and provides you with a new level of financial protection.
- Drugs not marketed as a Merck brand drug will no longer be considered a Merck brand drug (e.g., Nexium, Prilosec, Toprol) and will no longer be offered at the \$0 copay. Instead, they will be covered and subject to the same cost-sharing provisions as other non-Merck brand drugs. If you are currently using one of the drugs that will no longer be considered a Merck brand drug, you will receive a letter from Express Scripts later this year. If you have any questions, contact Express Scripts or speak with your pharmacist.

CONSUMER TIP

If you are prescribed a brand drug that is no longer covered at a \$0 copay, you have the option to continue to receive the non-Merck brand drug and pay the applicable coinsurance amount. Alternatively, you can speak with your doctor or pharmacist to see if there is a generic substitute for the same drug, or if there is a lower cost brand alternative in the same drug category. There may be over-the-counter alternatives available as well, which may not only reduce your cost for the medication but also save you time and money by not having an office visit to your doctor to obtain a prescription.



Prescription Drug Coverage

The following chart summarizes prescription drug costs for 2014. Please note that all the 2014 medical options (except the “No Coverage” option) offer the same prescription drug coverage through Express Scripts, the company’s pharmacy benefit manager.

PRESCRIPTION DRUG COSTS		
	Participating Retail Pharmacy up to a 30-Day Supply^{1,2}	Express Scripts PharmacySM (Home Delivery Service) up to a 90-Day Supply³
Annual Out-of-Pocket Maximum (individual/family maximum)	\$1,500/\$3,000 (combined retail and home delivery service)	
Merck Brand Drugs	\$0	\$0
Generic Drugs — Other than Diabetes Medications and Supplies	\$10	\$20
Non-Merck Brand Drugs — Other than Diabetes Medications and Supplies (when generic equivalent is NOT available)	20% of discounted retail price, up to \$50 maximum (per prescription)	20% of discounted home delivery price, up to \$100 maximum (per prescription)
Non-Merck Brand Drugs (when generic equivalent is available)	40% of discounted retail price, up to \$100 maximum (per prescription)	40% of discounted home delivery price, up to \$200 maximum (per prescription)
Generic Diabetes Medications and Supplies	\$0	\$0
Non-Merck Brand Diabetes Medications and Supplies	\$10	\$20

¹ Certain prescription medications are covered only by home delivery service through Express Scripts PharmacySM or Accredo, a subsidiary of Express Scripts.

² Prescriptions filled at non-participating pharmacies will be reimbursed based on the network-negotiated price of the medication, minus the applicable copay and/or coinsurance. Employees are responsible for any drug costs in excess of network-negotiated fees. Any costs in excess of network-negotiated fees do not count toward the prescription drug out-of-pocket maximum limit.

³ Male erectile dysfunction medications (MEDs) and non-Merck brand oral contraceptives are covered only by home delivery service through Express Scripts PharmacySM. Merck brand oral contraceptives may be filled at a participating retail pharmacy at a \$0 copay.

Prior Authorization Required for Certain Medications

Certain medications require prior authorization before your prescription will be covered by the Plan. To confirm if a drug is covered, or if it is subject to any limits, call Express Scripts Member Services at 800-RX-MERCK (800-796-3725). You, your doctor or your pharmacist must call Express Scripts to initiate a coverage review of any medications that require prior authorization.

How Does Coinsurance Work for Prescription Drug Coverage?

When you fill a prescription for a non-Merck brand drug other than diabetes medications and supplies, you will no longer be charged a copay. Instead, you will generally pay 20% of the cost of the prescription, up to the maximum dollar amount as outlined in the chart on the previous page. **Note:** When you choose to receive a non-Merck brand drug when a generic alternative is available, you will pay 40% of the cost of the non-Merck brand drug, up to the maximum dollar amount.

How Does the Out-of-Pocket Maximum Work for Prescription Drug Coverage?

Your out-of-pocket maximum for prescription drug coverage works similar to the way the medical plan out-of-pocket maximum works. Beginning Jan. 1, 2014, if you are enrolled for medical coverage through Merck, the maximum amount you will pay out-of-pocket for prescription drugs filled either at a retail pharmacy or through Express Scripts home delivery service will be \$1,500 per person, per year, up to a \$3,000 annual family maximum. Once you reach this out-of-pocket maximum, the Plan will pay 100% of the cost for prescriptions for the remainder of the Plan year for the person who reached the limit.¹

Be a smart health care consumer and continue to take advantage of cost-saving opportunities such as using generic drugs or home delivery service even after you reach your out-of-pocket maximum. The money you save the Plan helps Merck manage annual cost increases, which impacts your contribution levels each year.

PRESCRIPTION DRUG ID CARDS

Your current prescription drug ID card should continue to be used in 2014.

You will receive a new prescription drug ID card only if you:

- Add or remove a dependent
- Change your name, or
- Retire and choose Merck retiree medical coverage and are Medicare eligible. You will receive a new prescription drug ID card that will reflect the Express Scripts Medicare™ program name and must be used for retiree Medicare prescription drug coverage.

NH

You will receive your prescription drug ID card within two to three weeks of the date you enroll in your benefits. Visit Express Scripts at www.express-scripts.com to print a temporary ID card.

¹ Any costs in excess of network-negotiated fees at a non-participating pharmacy do not count toward the prescription drug out-of-pocket maximum limit.

Behavioral Health Care Benefits

Behavioral health care benefits (in excess of the five evaluation and assessment sessions that are part of the Employee Assistance Program (see the box below)) are provided as part of your medical coverage. The administrator of your behavioral health care benefits — and the network providers available — differs depending on the medical option in which you are enrolled.

BEHAVIORAL HEALTH CARE BENEFITS

Medical Plan Option	Behavioral Health Care Provider
Merck PPO — Horizon BCBS	ValueOptions Only ValueOptions providers are considered in-network for behavioral health benefits under the Merck PPO — Horizon BCBS option. For in-network providers and additional information, visit www.achievesolutions.net/merck or call 877-44-MERCK (877-446-3725). You can contact ValueOptions by phone 365 days a year, 24 hours a day.
Merck PPO — Aetna Choice POS II	Aetna Behavioral Health For in-network providers and additional information, visit www.aetna.com/docfind or call 800-541-6711 (group number: 479265). Representatives are available from 8:00 a.m. to 6:00 p.m. ET.
Health Plan Hawaii Plus HMO (Hawaii residents only)	Health Plan Hawaii Plus For in-network providers and additional information, visit www.hmsa.com or call 866-931-HMSA (4672).
Kaiser Permanente HMO (closed to new participants)	Kaiser Permanente For in-network providers and additional information, visit www.kaiserpermanente.org or call 888-KPONCALL (888-576-6225).

EMPLOYEE ASSISTANCE PROGRAM (EAP)

The Merck EAP offers confidential, professional assessment, referral, counseling and educational services that are available in-person, by phone or online, 365 days a year, 24 hours a day. The EAP covers up to five sessions, per situation, with a qualified counselor (by phone or in person) at no charge to you, and is available to you and your household members whenever you are looking to speak with someone for guidance and advice.

To get started, contact ValueOptions at 877-44-MERCK (877-446-3725). You may also visit the ValueOptions' Achieve Solutions website at **www.achievesolutions.net/merck**.

How to Shop for Your Health Care

Did you know that costs for medical procedures can vary greatly, depending on the facility where they are performed?

Being a smart health care consumer is about understanding your health care options and putting the same rigor around shopping for your health care as you do for other consumer purchases.

Thankfully, there are a number of convenient online tools and mobile apps available to help you make informed decisions. The following chart describes the latest website and mobile apps available to you through our health care providers.

Tool	What It Does	How to Access	Available to
Health Advocate's Health Cost Estimator™ Tool	<ul style="list-style-type: none"> • Get the estimated cost for dozens of medical services from providers in your area 	<input checked="" type="checkbox"/> website: www.HealthAdvocate.com/Merck <input checked="" type="checkbox"/> mobile app: Download the Health Advocate app free from Apple or Google Play	All employees eligible for the Merck Medical Plan and their covered dependents, plus their parents and parents-in-law
Horizon BCBS Treatment Cost Estimator	<ul style="list-style-type: none"> • Displays costs for tests and procedures by type and location • View an unlimited amount of estimates and sort by distance, provider name or cost range 	<input checked="" type="checkbox"/> website: http://merck.horizonblue.com From Merck's secure home page, sign in and click on "Find a Treatment Cost" (located under "I Want To") <input type="checkbox"/> mobile app	Anyone enrolled in a Horizon BCBS Medical Plan option
Blue National Doctor & Hospital Finder	<ul style="list-style-type: none"> • Find providers that participate in BCBS's network • Quickly locate nearest urgent care based on your location • Locate Blue Distinction Centers of Excellence for a variety of health issues including bariatric surgery, cardiac care, complex and rare cancers, knee and hip replacement, spine surgery and transplants 	<input checked="" type="checkbox"/> website: http://directory.horizonblue.com <input checked="" type="checkbox"/> mobile app: Download the BCBS app free from Apple or Google Play	Anyone enrolled in a Horizon BCBS Medical Plan option

Tool	What It Does	How to Access	Available to
Aetna Payment Estimator	<ul style="list-style-type: none"> • Displays costs for tests and procedures by type and location • Provides cost details based on Merck's health plan, including coinsurance and deductibles • Through the comparison feature, you can view estimates for up to 10 providers/facilities 	<input checked="" type="checkbox"/> website: www.aetna.com <input type="checkbox"/> mobile app	Anyone enrolled in an Aetna Medical Plan option
Aetna's National Medical Excellence and Institutes of Excellence (IOE)	<ul style="list-style-type: none"> • Provides specialized case management through the use of nurse care managers, each with procedure and/or disease-specific training • IOE provide access to select group of hospitals and centers that support transplants and other special medical care (i.e., hemophilia treatment, heart surgery for children and other rare conditions) 	<input checked="" type="checkbox"/> website: www.aetna.com <input type="checkbox"/> mobile app	Anyone enrolled in an Aetna Medical Plan option
Aetna DocFind®	<ul style="list-style-type: none"> • Find providers that participate in Aetna's network • See clinical and quality information for specialists 	<input checked="" type="checkbox"/> website: www.aetna.com <input checked="" type="checkbox"/> mobile app: Text Apps to 44040	General public
Express Scripts	<ul style="list-style-type: none"> • View your virtual Member ID card, refill and renew prescriptions, check your order status, locate a pharmacy, transfer to home delivery view alerts, set reminders and search detailed drug information 	<input checked="" type="checkbox"/> website: www.Express-Scripts.com <input checked="" type="checkbox"/> mobile app: Download the Express Scripts app free from Apple, Google Play, BlackBerry App World and search for "Express Scripts" (not Express Rx)	Anyone enrolled in the Merck Medical Plan
Plan Comparison Tool	<ul style="list-style-type: none"> • Compares coverage among the available Medical Plan options 	<input checked="" type="checkbox"/> website: http://netbenefits.com/merck	All employees eligible for the Merck Medical Plan

PROGRAMS TO HELP YOU *LIVE IT*



As a company, we are dedicated to saving the lives and improving the health of people around the world. We have saved and improved countless lives with the medicines we have developed. But good health is more than just the medicines we take. It's about making a conscious effort to take care of ourselves — to ensure we're eating right, exercising and taking the time to connect regularly with the people and activities that give us joy. It's also about using the information, tools and resources available to us to become educated when making important health decisions.

That's where *LIVE IT* can help. *LIVE IT* makes it easier to manage the everyday things important to improving your health and well-being — even if it is one small step at a time.

LIVE IT brings together all of Merck's health and wellness offerings under one integrated program to help you and your family be well.

As a reminder, *LIVE IT* is:

- **Private.** No information that could identify you personally will be shared with Merck. Merck will only receive aggregate, anonymous data from the *LIVE IT* partners needed to evaluate the success of *LIVE IT* and to design programs that meet employees' needs.
- **Voluntary.** You decide if you would like to participate and how you want to be involved. You can decline participation in any program at any time.



KNOW
YOUR HEALTH

IMPROVE
YOUR LIFE

REWARD
YOURSELF

Being well begins with understanding your overall health status.

Once you know where you stand, *LIVE IT* can help you decide what you can do to live better. Get started today!

- 1** If you haven't already, visit **www.liveitmerck.com** and register.
- 2** Complete the PHA.¹ The 2014 PHA is significantly shorter and easier to use and reflects new scientific research that focuses on the different health habits impacting a person's long-term risks for serious health conditions.
- 3** Receive your Personalized Health Summary and earn your *LIVE IT* reward.
- 4** Use *LIVE IT*'s suite of programs to Improve Your Life, regardless of your current health status or situation.

¹ Even if you completed the PHA last year, you will need to complete it again by Nov. 1 to receive the medical contribution reduction for 2014.

What's New with *LIVE IT*?

The *LIVE IT* website and PHA have been redesigned to improve your experience:

- **The PHA has been simplified and can be completed in as little as 15 minutes.**
- Once you've completed the PHA, you can view your **personalized action plan** for realistic steps you can take to improve your health. View your plan on the home page each time you log on to **www.liveitmerck.com**.
- The ***LIVE IT* website is now available via your iPhone, iPad or other mobile devices** — and you can even complete your PHA on your device. To get started, simply enter **www.liveitmerck.com** into the browser of your mobile device and log in.

TAKE THE PHA AND SAVE!

Complete the PHA on **www.liveitmerck.com** and save \$10 per month on your 2014 medical contributions if you enroll in a Merck Medical Plan option for 2014. Have your spouse/same-sex domestic partner complete the PHA and save another \$10 per month (up to \$240 total) in 2014. Note that the contribution reduction applies to active employees, employees on LTD and separated employees during their active benefit continuation period. The contribution reduction is not reflected in the rates listed on page 19 and does not apply to COBRA coverage unless you are a separated employee covered under your benefits continuation period.

Note: If you completed the PHA by Sept. 30, 2013, your 2014 medical plan contributions on **<http://netbenefits.com/merck>** will reflect your PHA reward. If you completed your PHA after Sept. 30, 2013, the contribution rates shown online do not reflect the medical plan contribution reduction. Check back on or after Dec. 15, 2013 to view your reduced 2014 contribution.

As a new hire, you may take the PHA to learn about your health risks and enroll in personal health coaching and other *LIVE IT* programs; however, you are not eligible for a reduction in your 2014 Merck Medical Plan contribution.

NH

LIVE IT Programs

LIVE IT: Tobacco-Free

Quitting tobacco use can be a challenge. Enroll and complete this 12-week program to quit for good. A WebMD Health Coach will teach you the proven methods and help motivate you to kick the habit. By quitting, you will reduce your risk factors for a number of serious conditions and diseases, including cancer, heart disease and COPD. And, you will save money, too! Call 866-513-2505 to enroll.

If you participate in a Merck-sponsored medical plan, you can receive nicotine replacement therapy products at no cost to you through Merck's Prescription Drug Program, with a prescription from your doctor. Contact Express Scripts at 800-RX-MERCK (800-796-3725) for coverage information.

LIVE IT By Achieving a Healthy Weight

You can benefit from special savings through Merck's Weight Watchers® Reimbursement Program. Choose Weight Watchers Meetings or Weight Watchers Online and receive discounted fees and partial reimbursement on membership if you actively participate, depending on what's available in your area. Not only will you save money but you will:

- Experience increased energy
- Improve your heart health
- Lower your risk of disease, such as type 2 diabetes, and
- Look and feel better.

To learn more, visit Sync > About Me > Benefits > *LIVE IT: Be Well at Merck*.

WebMD Personal Health (Lifestyle) Coaching

This program provides education and personal coaching from a health professional. A coach will speak with you one-on-one to provide you with the information, motivation and practical suggestions needed to help you make any of the following lifestyle changes now in order to help prevent health conditions from developing in the future:

- Become more fit
- Lose weight
- Eat better
- Reduce stress

If your PHA indicates you would benefit from personalized coaching, you may receive a phone call from a WebMD Health Coach inviting you to participate. Or, once you complete the PHA, you can contact a WebMD Health Coach directly at 866-513-2505.

WebMD's *My Health Assistant*

WebMD's *My Health Assistant* is an interactive online and mobile tool that helps you set long-term health goals, choose reasonable steps to focus on each week and checks in to see if you are on track. *My Health Assistant* also provides access to community message boards, which offer peer support and encouragement. This holistic approach can help you make the positive changes that yield results. Focus on areas that are meaningful to you like:

- Weight Management
- Physical Activity
- Tobacco Cessation
- Stress Management
- Better Nutrition
- Emotional Health

Log on at www.liveitmerck.com, click on the **Healthy Living** tab on the navigation bar on the home page and select *My Health Assistant* to get started. You can also check in on your mobile device by logging into www.liveitmerck.com and selecting *My Health Assistant*.

DID YOU KNOW?

Many Merck sites offer **Weight Watchers at Work meetings**. To see if an onsite meeting is available at your location, visit Sync > About Me > Benefits > *LIVE IT: Be Well at Merck* > Weight Watchers Reimbursement Program.



HealthAdvocate™

Since its introduction in 2012, over 5,400 Merck employees, retirees and their family members have utilized Health Advocate™ services. Through Health Advocate, you and your eligible family members including your parents and parents-in-law have access to personalized, expert help to navigate the health care and health insurance maze.

When you call, you will be assigned a Personal Health Advocate to find solutions to time-consuming issues, such as:

- Untangling medical claims
- Finding doctors, hospitals and other providers
- Connecting to local and other Merck resources
- Assisting with eldercare and Medicare
- Securing second opinions
- Explaining conditions, treatments, and
- Scheduling tests and appointments.

Call Health Advocate at 855-675-5463 Monday through Friday, from 8:00 a.m. to 9:00 p.m. ET (a 24-hour NurseLine is also available), or visit www.HealthAdvocate.com/Merck.

Health Advocate is not part of the medical plan or a claims administrator for the medical plan. It is a service offered at no cost to you by Merck.

Health Advocate's 24-Hour NurseLine

Highly trained registered nurses are available all day and night, every day to help you with non-urgent concerns. Call the 24-hour NurseLine at 855-675-5463 for:

- Answers to questions about symptoms or medications
- Explanation of a health condition, and
- Simple, self-care tips for non-urgent conditions.

"This is a great service. Having my advocate explain my benefits coverage to me and how to file claims saved me so much time!"

ActiveHealth Condition Management Program Update

In our efforts to improve patients' health, Merck offers the ActiveHealth Program, which helps identify and communicate gaps in care, potential medical errors and opportunities to improve patient care through "Care Considerations" as well as to provide telephonic, one-on-one health coaching for members with certain chronic conditions. Due to low engagement and the availability of the WebMD Personal Health Coaching program, the telephonic coaching portion of the ActiveHealth Program will be discontinued effective Jan. 1, 2014.

Care Considerations are derived through ActiveHealth's patented, clinical decision support technology, the CareEngine® System, which continuously gathers your medical, pharmacy and laboratory claims data and compares it against the latest findings in evidence-based literature. Care Considerations are then provided to you and your treating physician, to share new medical knowledge and information on important drugs, tests or other services. This system of coordinated patient and physician alerts supports your relationship with your physician, providing information to help you and your physician make the most informed health care decisions.

If you or a family member are currently participating in one-on-one coaching through ActiveHealth, you should have received a letter from ActiveHealth. See page 31 for information about the WebMD Personal Coaching Program.

DENTAL PLAN



Dental coverage is offered through the Comprehensive Dental Plan option administered through MetLife. You can elect coverage or no coverage.

2014 Dental Plan Changes

For 2014, the Dental Plan will be updated with a number of changes to align with current clinical standards¹ including:

Preventive and Diagnostic Services:

- Bitewing X-rays covered once per calendar year for adults and twice per calendar year for children.
- Panorex (full mouth) X-rays covered once every 36 months.

Basic Care:

- Composite fillings (white resin) for molar teeth now covered at 80% instead of 80% of the amalgam (silver) price.
- Up to eight periodontal visits per year, now including up to four maintenance (cleaning) visits per year.
- Periodontal surgery covered at 80%, up to two procedures per calendar year.
- Scaling and root planning now covered at eight quadrants every 24 months.

Major Care:

- Replacement for crowns and other major work (bridges, onlays, inlays, veneers, implants, implant prosthetics, dentures) covered once every seven years.
- Coverage for replacement of missing teeth added.

Keep in mind that all dental work is subject to the annual \$2,000 maximum and annual deductibles. Basic and Major Care are also subject to the annual deductible.

Refer to the 2014 Merck Dental Plan SPD for more information about covered expenses.

DID YOU KNOW?

On average, crowns last between 10 to 15 years. The lifespan of a crown depends on many factors such as your diet, oral hygiene and whether you grind your teeth.

¹ Based on American Dental Association guidelines

Options

Comprehensive Dental	Offers coverage for a wide range of dental services including preventive and diagnostic, basic, major and orthodontic. It also offers access to MetLife's Preferred Dental Program (PDP) network, which includes dentists who have agreed to provide services at reduced fees. Visit www.metlife.com/mybenefits for a listing of PDP providers in your area.
No Coverage	This option may make sense for employees who have dental coverage elsewhere (for example, through a spouse's/same-sex domestic partner's plan).

Cost

You and Merck continue to share in the cost of your dental coverage. The following are the full-time monthly contribution rates for 2014.¹

	Employee Only	Employee + Spouse/Same-Sex Domestic Partner	Employee + Child(ren)	Employee + Spouse/Same-Sex Domestic Partner + Child(ren)
Comprehensive Dental — MetLife	\$18	\$45	\$36	\$63

¹ If you are a part-time employee, your contribution rates will differ. Log on to <http://netbenefits.com/merck> to see the rates available to you. For 2014, there is no additional charge for Employee Only coverage for part-time employees; however, the additional charge to cover family members has increased.

LTD

Rates for employees on LTD are available online at <http://netbenefits.com/merck>.

If you do not enroll for dental coverage during your initial 30-day enrollment period, you will automatically be enrolled in the Comprehensive Dental option for Employee Only coverage.

NH

No ID Cards Needed for Dental Coverage

You will not receive an ID card if you enroll for dental coverage. Instead, when you make an appointment, tell the dentist that you have coverage through MetLife, and your employer is Merck. If, however, you would like an ID card, log on to www.metlife.com/mybenefits and you can print one.

Dental Plan at a Glance

The following is a summary of the benefits offered under the Comprehensive Dental Plan option. Visit a provider who participates in MetLife's Preferred Dental Program (PDP) network and receive the benefit of pre-negotiated, reduced fees, as outlined below. You may also receive reduced fees for non-covered services such as bleaching. For more specific details, refer to the appropriate section of the Dental Plan SPD.

DENTAL COVERAGE			
Covered Expense	PDP Provider Plan Pays	Non-PDP Provider Plan Pays	Benefit Limit
Annual Deductible	\$50 per person (\$150 family maximum)		Applies to basic, major and orthodontic services
Preventive and Diagnostic Services <ul style="list-style-type: none"> Oral exams (two per calendar year), including: cleanings, X-rays (bitewings and full mouth, subject to plan frequency limits) and scaling or fluoride treatments Sealants, space maintainers 	100% of pre-negotiated rates	100% of R&C limit	\$2,000 annually for each covered person, combined with basic and major care services
Basic Care <ul style="list-style-type: none"> Fillings (other than gold) Extractions, root canals, periodontics (up to eight visits per calendar year, including up to four periodontal maintenance visits), denture repair, oral surgery, implants 	80% of pre-negotiated rates, after deductible	80% of R&C limit, after deductible	\$2,000 annually for each covered person, combined with major care and preventive and diagnostic services
Major Care <ul style="list-style-type: none"> Gold fillings and inlays New or replacement dentures and bridgework (certain limits apply) Crowns 	50% of pre-negotiated rates, after deductible	50% of R&C limit, after deductible	\$2,000 annually for each covered person, combined with basic care and preventive and diagnostic services
Orthodontic Services	50% of pre-negotiated rates, after deductible	50% of R&C limit, after deductible	\$2,000 lifetime limit per person

DID YOU KNOW?

Pre-treatment estimates for non-preventive services expected to cost \$300 or more should be submitted to MetLife for consideration. If you have any questions regarding your dental plan coverage, please contact MetLife at 888-262-4870.



VISION PLAN



Vision coverage is offered through Vision Service Plan (VSP). You can elect coverage or no coverage.

Options

Vision — VSP	Benefits under the Vision Plan are designed to help you pay the cost of certain necessary vision care expenses. When you require vision care services, you have the choice of going to any licensed ophthalmologist, optometrist or optician of your choice. However, if you visit a VSP preferred provider, your out-of-pocket costs will generally be lower than if you visit an “open access” provider. Visit www.vsp.com or call 800-877-7195 to find a VSP preferred provider in your area.
No Coverage	This option may make sense for employees who do not need vision coverage or who may have vision coverage elsewhere (for example, through a spouse’s/same-sex domestic partner’s plan).

Cost

You pay the full cost of vision care benefits. The following are the monthly contribution rates for 2014.

	Employee Only	Employee + Spouse/Same-Sex Domestic Partner	Employee + Child(ren)	Employee + Spouse/Same-Sex Domestic Partner + Child(ren)
Vision — VSP	\$10	\$25	\$20	\$35

LTD

Not available to legacy Merck employees who went on LTD prior to Jan. 1, 2011.

If you do not enroll for vision coverage within your initial 30-day enrollment period, you will not have vision coverage.

NH

Vision Plan at a Glance

The following is a summary of the benefits offered under the Vision — VSP option. For more specific details, refer to the appropriate section of the Vision Plan SPD. Your out-of-pocket expenses will be less if you receive vision care services from a VSP preferred provider.

If You Receive Services from a VSP Provider

For These Types of Services	The Vision Plan Pays	You Pay
Eye Exam at a VSP Preferred Provider (one exam per calendar year)	100% after \$10 copay	\$10 copay
Prescription Lenses at a VSP Preferred Provider (one set of eyeglasses per calendar year)	100% after \$10 copay, plus 100% of the cost of polycarbonate lenses for dependent children under age 19 (progressive lenses and tints are covered in full)	\$10 copay, plus 35%-40% discounted prices on all non-covered options
Frames at a VSP Preferred Provider	100% up to \$150	Any amount over \$150 (20% discounted price on any out-of-pocket costs)
Elective Contact Lenses at a VSP Preferred Provider (in lieu of lenses and a frame)	100% up to \$140	Any amount over \$140 (15% discounted price on contact lens exam — fitting and evaluation)

If You Visit an Open Access Provider

If you visit an Open Access Provider — one that doesn't participate in the VSP network — the plan will provide a fixed reimbursement amount. You will be responsible for paying any amounts over the fixed reimbursement from the Plan.

For These Types of Services	The Vision Plan Pays	You Pay
At an Open Access (non-VSP) Provider		
• Exam	\$50	Any amount over \$50
• Single Vision	\$50	Any amount over \$50
• Bifocals	\$75	Any amount over \$75
• Trifocals	\$100	Any amount over \$100
• Frames	\$70	Any amount over \$70
• Tints	\$5	Any amount over \$5
• Elective Contacts	\$110	Any amount over \$110

No ID Cards Needed for Vision Coverage

You will not receive an ID card if you enroll for vision coverage. Instead, when you make an appointment, tell the service provider that you are a VSP member and that your employer is Merck. However, if you would like to print a VSP ID card, you can log on to www.vsp.com and select the "My Benefits" tab.

FLEXIBLE SPENDING ACCOUNTS



Merck offers the Health Care and Dependent Care Flexible Spending Accounts (FSAs). Participation in either account can save you money because deductions are made before federal and Social Security taxes, and, depending on where you live, state and local taxes are withheld from your paycheck.

Horizon BCBS continues to be the administrator for the Health Care and Dependent Care FSAs. For 2014, you may set aside between \$120 and \$2,500 to your Health Care FSA and between \$120 and \$5,000 to your Dependent Care FSA annually.

If you elect FSA participation for 2014, all expenses must be incurred during the calendar year from January through December 2014 (and for the Health Care FSA while you are still an active, eligible employee unless you choose to continue coverage through COBRA) in order to be eligible for reimbursement. You may submit 2014 claims for reimbursement to Horizon BCBS until Apr. 15, 2015. Any 2014 claims submitted to Horizon BCBS for reimbursement after Apr. 15, 2015 will be denied.

Remember: To participate in the Health Care FSA or Dependent Care FSA for 2014, you must actively enroll during annual enrollment.

LTD

Employees on LTD are not eligible to participate in the FSAs.

Choose Your FSA Amount Carefully

Be sure to elect your FSA contribution carefully, as the IRS requires you to forfeit any money left in your account at year-end for which you have not incurred eligible expenses. In addition, contributions cannot be transferred between the Health Care and Dependent Care FSAs.

If you are hired after the first of the year, the amount you choose to contribute to an FSA will be deducted from your paycheck in equal installments over the remaining months of the calendar year.

NH

Health Care FSA

If you choose to contribute to a Health Care FSA, contributions can be used to pay for certain health care expenses for you and your eligible dependents — medical, dental, vision, etc. — not covered or only partially covered by your medical, dental and vision plans. In addition, certain non-drug items purchased over-the-counter (OTC) may be eligible for reimbursement under the Health Care FSA if certain requirements are satisfied.

Contact Horizon BCBS for a listing of eligible expenses. Visit the Horizon BCBS website at **www.horizon-bcbsnj.com/merck** or call 800-224-4426. A full list of eligible expenses is also included in IRS Publication 502, available at **www.irs.gov**.

Dependent Care FSA

Your contributions can be used to pay for certain day-care expenses for eligible dependents (children under age 13, adults who are physically or mentally incapable of self-care, etc.) that allow you and your spouse, if applicable, to work, including:

- Payments to someone who provides care in your home, as well as related taxes you pay on that person's behalf
- Payments to an eligible day-care facility, including a senior center
- Cost for summer day camp, and
- Costs for before- or after-school programs.

Full details about eligible dependent care expenses are included in IRS Publication 503, available at **www.irs.gov**.

CONSUMER TIP

The cost of child care is one of the greatest expenses for most working parents. If you're paying for child care to a licensed provider or child care center, consider contributing to the Dependent Care FSA so you can pay with before-tax dollars and save money.



Getting Reimbursed For Your FSA Expenses

Health Care FSA Submission

If you enroll in the Health Care FSA for the first time, you will automatically receive the *Horizon My Way Card* (formerly known as the *Benny® Prepaid MasterCard®*). Existing members can continue to use their *Benny® Prepaid MasterCard®* until it expires. If you currently participate in the Health Care FSA and re-enroll for 2014, you generally will continue to use your current *Horizon My Way* or *Benny Card*, which will be funded with your 2014 elected amount on Jan. 1 (see below).

Is Your *Benny Card* Expiring This Year?

If you are enrolled in the Health Care FSA, be sure to check the expiration date on your *Benny Card*. If you enroll in the FSA for 2014 and your current FSA card is expiring, you will automatically receive a new card from Horizon BCBS by Jan. 1, 2014.

Using Your *Horizon My Way Card*

This card works much like a credit card and is pre-loaded with the annual amount of pre-tax dollars you elect to contribute to your Health Care FSA. When you go to the pharmacy, doctor or dentist and have an eligible expense for which your share of the cost is known at the time of the service, present the card to the provider at that time and the provider will then charge the card as a credit purchase. The amount of the qualified purchase will be deducted from your Health Care FSA balance.

If your portion of the cost of the service is not known at the time of service, wait for your provider to bill you for your portion of the cost and then either provide your FSA card number as a credit card number or pay your portion of the cost and submit the bill and receipt to Horizon BCBS using a paper claim form. Please be sure to keep your receipts in case you need to substantiate your purchases.

Although you will automatically receive the card upon enrollment, you may choose to file paper forms for reimbursement. If you file a paper form, you will be required to provide receipts for your purchases.

Dependent Care FSA Expense Submission

If you enroll in the Dependent Care FSA for 2014, you will be able to submit your monthly day-care expenses online through the Horizon secure website at www.horizon-bcbsnj.com/merck. Please note that using online submission is optional, and that you may also file paper forms to request reimbursement.

Reimbursement forms for the Health Care FSA and the Dependent Care FSA are available through <http://netbenefits.com/merck> or on the Horizon BCBS website at www.horizon-bcbsnj.com/merck.

LIFE INSURANCE PROGRAM



Merck offers different types — and levels — of life insurance protection for you and your family, including Basic Life, Optional Life, Accidental Death and Dismemberment (AD&D), Dependent Life and Business Travel Accident Insurance.

Cost

Merck pays the full cost of your Basic Life Insurance equal to 1x base pay. However, you will be required to include the value of Basic Life Insurance coverage in excess of \$50,000 in income. (This excess amount is subject to tax withholding. See the section “Imputed Income on Basic Life Insurance.”) In addition, you may choose to protect yourself and your family with other employee-paid life insurance and coverage amounts. Please note that certain life insurance rates are based on your age and salary as well as your smoker/non-smoker status.

About Smoker Rates

Your rates for Optional Life Insurance coverage will depend on whether you elect smoker or non-smoker rates for your coverage. If you previously elected smoker or non-smoker rates and you do not make an affirmative election for 2014, your current smoker/non-smoker status will continue to apply.

To elect non-smoker rates, you must qualify as a non smoker by being smoke- and tobacco-free (cigarettes, cigars, pipes, chewing tobacco, etc.) for 12 full consecutive months prior to the date you enroll for coverage.

If you cannot qualify for non-smoker rates, as described above, you must elect smoker rates. If you fail to elect smoker rates or allow your election to default to non-smoker rates and if it is later determined that you do not qualify as a non smoker, you will be considered to have provided false enrollment information and may be subject to disciplinary action up to and including termination of employment. Additionally, any benefits that might eventually be paid to the beneficiary(ies) for your life insurance could be impacted.

DID YOU KNOW?

If you are a smoker, save money and improve your health by quitting. See page 31 for **LIVE IT: Tobacco Free** resources to help you get started.

Life Insurance Plan at a Glance

These benefits are all insured and administered by Prudential, except for Business Travel Accident Insurance, which is insured and administered by Life Insurance Company of North America, a Cigna company. See the Merck Life Insurance SPD for more information.

Due to favorable claims experience, Merck has negotiated a 7% reduction in the 2014 Optional Life Insurance rates. To view your 2014 rates, log on to <http://netbenefits.com/merck>.

Keep in mind that Optional Life Insurance rates are age-rated and will increase every five years as you reach certain age bands (30, 35, 40, 45, etc.). Rates also can increase during the year if you have a salary change.

Type of Insurance	Coverage Options
Basic Life	<ul style="list-style-type: none"> • No election required. • Automatic company-provided coverage equal to 1x base pay.¹ Please note that there is imputed income on amounts in excess of \$50,000.
Optional Life	<ul style="list-style-type: none"> • Pay-based¹ options range from 1x to 8x base pay. • Rates are based on age and salary as well as smoker/non-smoker status. • Generally, Evidence of Insurability (EOI) is required for all increases in coverage. • If you are a legacy Merck employee currently enrolled in the Optional Life Volume Plan and choose to reduce your coverage to the 1x to 8x base pay option, you will not be permitted to increase your Optional Life Insurance beyond the 8x base pay plan maximum in the future.
Accidental Death and Dismemberment (AD&D)	<ul style="list-style-type: none"> • Pay-based¹ options range from 1x to 8x base pay. • Maximum coverage amount is \$1 million. • EOI is not required.
Dependent Life	<ul style="list-style-type: none"> • You may choose coverage of \$10,000, \$25,000, \$50,000 or \$100,000 for your spouse/same-sex domestic partner. (Generally, EOI is required for all increases.) • Note: If you are a legacy OBS employee who has Dependent Life Insurance amounts in excess of the plan maximum, you may reduce your coverage to one of the plan coverage amounts. If you reduce your coverage, you may not enroll in any coverage amounts greater than the \$100,000 plan maximum in the future. • You may choose \$10,000 per dependent child (EOI not required).
Business Travel Accident	<ul style="list-style-type: none"> • No election required. • Automatic company-provided coverage equal to 4x base pay. • Coverage limited to business travel.

¹ Base pay is defined as annual base pay, excluding commissions, overtime, bonuses and any special or supplemental pay, adjusted to reflect scheduled hours, if part-time. For union employees with cost-of-living adjustments (COLA), base pay includes COLA.

LTD

In general, while you are on LTD, you cannot make changes to your life insurance options (other than to decrease your coverage amount). While you are on LTD, you are ineligible for AD&D coverage. Your coverage for 2014 will be the same as you have in 2013 unless you elect to drop or reduce any coverage for 2014.

NH

Designate Your Beneficiary. Don't forget to make your beneficiary designations for Basic Life and Optional Life insurance (and AD&D). Go to <http://netbenefits.com/merck> and click "Your Profile," then click "Beneficiaries." If you have questions, contact the Benefits Service Center.

Life Insurance EOI Available Online

If you elect to participate in the Optional Life Insurance program or would like to increase your coverage amount, EOI questions can be answered online — and you can get an immediate response from Prudential right in the same enrollment session. **Note:** The response may indicate that more information is necessary to complete the review.

Mid-Year Changes Permitted

You can change your employee-paid life insurance coverages during the year by contacting the Merck Benefits Service Center. However, increases in those coverages are effective only if you satisfy the plan's EOI and active-at-work requirements.

Imputed Income on Basic Life Insurance

The IRS requires you to be taxed on the value of employer-provided group term life insurance over \$50,000. The taxable value of your Basic Life Insurance coverage is called "imputed income." Even though you don't receive cash, you are taxed as if you received cash in an amount equal to the value of this coverage.

NH

If you choose to enroll for Optional Life Insurance, you may elect up to 3x your base pay without providing EOI, as long as you enroll within your initial 30-day enrollment period. If you elect coverage after your initial 30-day enrollment period or if you would like to increase your Optional Life Insurance coverage at a later date, EOI is required.

If you choose to enroll for dependent life coverage, you can elect the \$10,000 spouse/same-sex domestic partner coverage without providing EOI.

Review Your Life Insurance Beneficiary Designations

Go to <http://netbenefits.com/merck> to the "Your Profile" tab and then click "Beneficiaries." If you have questions, call a Benefits Service Center representative at 800-66-MERCK (800-666-3725).

Note: If you pass away and do not have a valid beneficiary designation on file with the Merck Benefits Service Center, death benefits payable under the Merck Life Insurance Plan will be paid to your estate, which may result in adverse tax consequences.

CONSUMER TIP

To help you determine the amount of life insurance that is right for you, visit the EY Financial Planning Center at <http://merck.eyfpc.com> (company code: Merck) or call 888-566-8630.

CONSUMER TIP

It's a good idea to consider Accidental Death and Dismemberment (AD&D) insurance in addition to your Optional Life Insurance coverage. It doesn't require EOI, and for a small cost, you and your family are protected in the event that you suffer from an accident-related injury.

DISABILITY PROGRAMS



Merck automatically provides you with company-paid Short-Term Disability (STD) coverage and Long-Term Disability (LTD) coverage (60% of base pay, before-tax). You have the option of choosing additional employee-paid LTD coverage or paying for your LTD coverage with after-tax dollars, so the benefit you receive is generally tax free. Cigna is the administrator for both STD and LTD coverage.

STD Plan

STD coverage provides income if you are unable to work due to a non-work related injury, illness or medical condition and Cigna, the STD claims administrator, certifies you as disabled. Generally, Merck provides this benefit at no cost to you. However, you may be required to pay for short-term disability coverage in states with mandated STD coverage.

If you are absent or expect to be absent from work for more than three calendar days, call Cigna at 888-842-4462 to initiate your disability claim review.

How STD Will Be Paid

For non-union employees who are approved by Cigna as disabled, STD coverage will provide payments equal to 100% of your base pay (excluding commissions, overtime, bonuses or any special or supplemental pay) for the first 10 weeks of your disability leave and then 70% of your base pay for weeks 11 - 26. There are no service requirements.

Benefits paid may vary depending on state-mandated disability coverage.

Employees who are subject to a collective bargaining agreement are to be eligible for benefits set forth in that agreement.

LTD

While you are on LTD, you cannot make changes to your LTD coverage. The STD Plan does not apply to you while on LTD.

LTD Plan

The LTD Plan provides coverage to replace a percentage of your income if you become disabled and are unable to work, provided you are certified as disabled by Cigna. This coverage may pay benefits after your Merck STD benefits end. LTD benefits are determined by your base pay (excluding commissions, overtime, bonuses or any special or supplemental pay; for union employees, includes COLA where applicable), reflecting your scheduled hours, if part-time. In addition, benefits may be reduced by the amount of income you receive from other sources such as Social Security and Workers' Compensation.

The company pays the full cost of LTD coverage equal to 60% of base pay (before-tax). You may choose from three levels of LTD coverage for approved disability leaves beyond 26 weeks — income replacement of:

- 60% of base pay before-tax
- 60% of base pay after-tax
- 70% of base pay after-tax

Changes to your coverage levels are subject to the plan's EOI and active-at-work requirements.

Should I Choose Before-Tax or After-Tax LTD Coverage?

Many people are unsure about how to make this decision. The difference is a matter of when you pay taxes.

- **Before-tax option.** You do not accrue imputed income for the amount the company contributes toward the cost of your LTD coverage, and therefore do not pay any additional income taxes from your current paychecks for receiving this benefit. However, you will pay federal income taxes on any disability benefits you receive under the plan.

- **After-tax option.** You will be taxed now in your regular pay on an amount of imputed income — that is the amount the company contributes toward the cost of your LTD coverage. In addition, if you buy up to the 70% coverage level, your contributions are paid with after-tax dollars. The advantage is that you will not have to pay federal income tax on any disability benefits you receive under the plan.

The chart below shows an example of the difference between before-tax and after-tax LTD options.

LTD BEFORE-TAX VS. AFTER-TAX OPTIONS

Example:

- Base Pay: \$70,000/year
- Age: 45
- Tax Rate: 25%
- Benefit Level: 60% of base pay or \$42,000/year
- Annual Imputed Income: \$360

	Before-Tax Option	After-Tax Option
Taxes on Imputed Income in Current Pay	Tax Free ----- No Current Taxes	Taxable at 25% ----- Taxes: \$90/year
LTD Benefit When Paid	Taxable at 25% ----- Taxes: \$10,500/year Net LTD Benefit: \$31,500/year	Tax Free ----- Net LTD Benefit: \$42,000/year

The bottom line: You need to decide whether you would prefer to choose the before-tax approach in exchange for a smaller LTD benefit as taxes will be withheld from your LTD payment, or if you would rather pay taxes now by choosing the after-tax approach and receive your disability benefit payment free of federal taxes.

LONG-TERM CARE



Long-Term Care (LTC) coverage is designed to help pay for care provided:

- In a nursing home
- In an adult day-care center
- At home, and
- Through other LTC facilities.

LTC coverage is insured and administered through CNA.

LTD

While you are on LTD, you cannot elect or make changes to your LTC coverage.

Cost

You pay the full cost of LTC insurance. Contact CNA for rates.

Direct Billing for LTC

Beginning Jan. 1, 2014, if you and/or your spouse/same-sex domestic partner are enrolled in LTC coverage, you will no longer pay for this coverage through Merck payroll deductions. Instead, you will receive a quarterly billing statement directly from CNA. Statements are mailed prior to the start of the quarter, with payment due on the first day of the upcoming quarter.

Please note, the first statement will not be mailed until mid-January 2014 and you will have 30 days to pay your bill. If you are currently enrolled in LTC, you will receive a communication from CNA later this year with details about payment options, including automatic bank withdrawal through CNA's *Easy Pay*.

If you are currently on LTD or an unpaid leave of absence and paying for LTC benefits, you are already direct billed by CNA for your premiums.

How LTC Works

Each of the CNA Independent Solutions options offers a different daily benefit level and lifetime maximum. You may choose between low, medium or high standard and automatic inflation coverage options. If you choose the automatic inflation option, the dollar amount of your daily benefit — as well as any associated amounts (i.e., lifetime maximum) — increases 5% automatically each year without a corresponding increase in your premiums.

Daily Benefit Level	Lifetime Maximum
Standard \$100 Plan (low option)	\$182,500
Standard \$200 Plan (medium option)	\$365,000
Standard \$300 Plan (high option)	\$547,500
Automatic Inflation \$100 Plan (low option)	\$182,500
Automatic Inflation \$200 Plan (medium option)	\$365,000
Automatic Inflation \$300 Plan (high option)	\$547,500

How to Enroll for Coverage

You will enroll for this coverage directly through CNA, not through the Benefits Service Center, and can do so at any time. To enroll, call CNA at 866-434-5824 (8:00 a.m. to 6:00 p.m. ET, Monday through Friday) to request an enrollment kit, or visit the CNA website at **www.ltcbenefits.com** (password: MerckGLTC). EOI is required if you did not enroll when first eligible.

You will not be required to provide EOI if you enroll for LTC coverage within your initial 30-day enrollment period.


 NH

If you were a Legacy OBS employee and prior to Dec. 31, 2008, elected to participate in the Long-Term Care Insurance program offered through John Hancock, you are eligible to continue to participate in that program, subject to the terms of that program. For further information regarding the legacy OBS Long-Term Care program, contact John Hancock at 888-794-3487 or visit their website at **<http://organon.jhancock.com>** (User Name: organon; Password: mybenefit).

GROUP LEGAL PLAN



Group legal coverage is offered through MetLaw/Hyatt Legal Plan. Through the plan, you have access to a nationwide network of experienced attorneys who can provide you with a range of legal services at either no additional cost or a fraction of the regular cost.

Cost

You pay the full cost of group legal plan coverage. If you elect group legal coverage, all eligible dependents are covered. The following is the monthly contribution rate for 2014.

Coverage	
Group Legal	\$15.75

CONSUMER TIP

Unlike the need for medical or dental coverage, most of us don't think we will need legal coverage. But legal issues arise during day-to-day living. With group legal coverage, you have professional legal counsel available to you at minimal cost. Services include general phone advice and office consultations, wills and estate planning, real estate matters, debt matters, traffic defense and much more.



How the Plan Works

When you see a plan attorney for covered services, fees are paid in full; there is no per-service cost to you for telephone consultations or office visits. Plus, you are not limited to how often you can use the plan.

If you see an attorney who is not part of the group legal plan, you will pay for services at the time you receive them, then file a claim for reimbursement. In this case, benefits are paid for covered services according to a set, fixed-fee schedule, and generally are less than those paid for services from an attorney who participates in the plan. Refer to the Group Legal Plan SPD for details, including the fixed fee reimbursement schedule if you visit an attorney who is not part of the group legal plan network.

How to Enroll for Coverage

You can only enroll for group legal coverage during annual enrollment at <http://netbenefits.com/merck>. Qualified status changes do not apply.

If you do not enroll for group legal coverage within your initial 30-day enrollment period, you will not have group legal coverage for the year.

NH

While you are on LTD, you cannot elect group legal coverage.

LTD

GROUP AUTO AND HOME INSURANCE



You have access to group auto and home insurance through MetLife Auto and Home®. This program is made available to employees as part of your benefits package and is not available to the general public. You'll have an opportunity for savings on your auto and home insurance. Other policies are also available.

To receive free, no obligation quotes or to apply for coverage call 800-GET-MET8 (800-438-6388), or log onto **www.metlife.com/mybenefits** for more information. Your Merck discounts will automatically be included in the quotes you receive.

Representatives are available from 8:00 a.m. to 10:00 p.m. ET, Monday through Friday, and 9:00 a.m. to 4:00 p.m. ET, Saturdays.

Please note that you may receive periodic home mailings from MetLife with information on this voluntary benefit offering.

CONSUMER TIP: Personal Auto Insurance Also Available Through New Jersey Manufacturers Insurance Group (NJM)



Employees in New Jersey and Pennsylvania can apply for NJM personal auto insurance because Merck is a member of the New Jersey Business and Industry Association (NJBIA).

NJM offers competitive rates, discounts and a return of dividends to policyholders.

Visit the NJM website at **www.NJM.com** or request a *Quick Quote* by calling NJM at 800-232-6600 Ext. 4515.

DEFAULT COVERAGE FOR NEW HIRES

If you do not enroll within 30 days of the date your enrollment materials are produced and sent to you from the Merck Benefits Service Center, you automatically will receive the coverage outlined below.

Medical Plan	Merck PPO — Horizon BCBS option; Employee Only <i>Note: If you live in the State of Hawaii, you will be automatically enrolled for Employee Only coverage under Health Plan Hawaii Plus HMO.</i>
Dental Plan	Comprehensive Dental — MetLife; Employee Only
Vision Plan	No coverage
Flexible Spending Accounts (FSAs)	Health Care FSA: No coverage Dependent Care FSA: No coverage
Life Insurance Plan¹	Company-paid Basic Life Insurance of 1x base pay Optional Life Insurance: No coverage Dependent Life (Child): No coverage Dependent Life/Spouse/Same-Sex Domestic Partner Insurance: No coverage Optional AD&D Insurance: No coverage
Short-Term Disability	Coverage
Long-Term Disability	60% before-tax, Coverage
LTC	No coverage
Group Legal	No coverage
Group Auto and Home	No coverage

¹ You must be actively at work for increases in coverage to take effect, except for dependent life coverage. For more information, please refer to the Life Insurance SPD, available online at <http://netbenefits.com/merck> for full plan details.

CONSUMER TIP

From flexible work arrangements to employee discounts through LifeMart, see page 51 for a list of the other benefits of working at Merck.



DISCOVER THE OTHER BENEFITS OF WORKING AT MERCK

In addition to the health and insurance benefits programs outlined in this guide, Merck provides the following benefits and services (which may vary from site to site).¹

OTHER BENEFITS-RELATED PROGRAMS AND SERVICES			
What's Available	What It Offers	By Phone	Online
Retirement Plan	The Merck Retirement Plan is a qualified pension plan, designed to provide you with retirement income of at least 4.5% – 10% of your total pay each year based on age and service. Vesting rules apply.	866-201-2825	The Merck Retirement Center http://merckretirementcenter.com
Savings Plan	The Merck U.S. Savings Plan is a qualified retirement savings plan, otherwise known as a 401(k) plan, designed to help you achieve long-term financial security by offering a company-matching contribution and a variety of investment options.	800-66-MERCK (800-666-3725)	The Benefits Service Center http://netbenefits.com/merck
Financial Planning Benefit	Free financial counseling and guidance for: <ul style="list-style-type: none"> • Debt and cash flow issues • Retirement savings and investments • Life insurance coverage • Income taxes and withholding • Estate planning 	Call the <i>EY Financial Planner Line</i> ® at: 888-566-8630 Representatives are available 9:00 a.m. to 8:00 p.m. ET, Monday through Friday, except holidays	EY Financial Planning Center http://merck.eyfpc.com/ Company code: Merck
Holidays and Vacation	13 paid holidays and vacation time that varies by length of service.	My Support Center 908-423-4357 or 866-MERCK-HD (866-637-2543) Representatives are available 8:30 a.m. to 5:00 p.m. ET, Monday through Friday	Visit About Me on Sync, or See the Vacation and Holiday Policy at: http://hr.merck.com/polproc/us/b6.html

¹ The plans and programs may not be available to all employees.

OTHER BENEFITS-RELATED PROGRAMS AND SERVICES

What's Available	What It Offers	By Phone	Online
Paid Time Off and Leaves of Absence	<p>Paid time off and leaves of absence for the following reasons:</p> <ul style="list-style-type: none"> • Child Care • Parental • Bereavement • Military • Jury/Witness Duty • Volunteerism • Vacation and holidays 	<p>My Support Center 908-423-4357 or 866-MERCK-HD (866-637-2543)</p> <p>Representatives are available 8:30 a.m. to 5:00 p.m. ET, Monday through Friday</p>	<p>Visit About Me on Sync, or See Paid Time Off and Leaves of Absence Policy at: http://one.merck.com/sites/sa/en-us/Pages/Paid-Time-Off-and-Leaves.aspx</p>
Adoption Assistance Program	Reimburses a portion of the expenses related to domestic and foreign adoptions, up to \$10,000 per child.	<p>My Support Center 908-423-4357 or 866-MERCK-HD (866-637-2543)</p> <p>Representatives are available 8:30 a.m. to 5:00 p.m. ET, Monday through Friday</p>	<p>Visit About Me on Sync, or http://one.merck.com/sites/sa/en-us/Pages/USAdoptionAssistance.aspx</p>
Education Assistance Program	Provides employees with financial support for higher education.	<p>Legacy Merck — My Support Center 908-423-4357 or 866-MERCK-HD (866-637-2543)</p> <p>Legacy Schering-Plough and OBS — EdLink: 866-418-2235</p>	Visit Sync > About Me > Career > Educational Assistance
Merck Partnership for Giving (Matching Gift Program)	Year-round employee contributions matched by The Merck Company Foundation to support qualifying community organization programs and services.	866-205-2857	www.merckp4g.com
365 Merck Days (Volunteer Program)	Opportunities for employees to engage in up to 40 hours per year of paid time off for community-based volunteering at non-profits and non-government organizations (NGOs) around the world.	<p>My Support Center 908-423-4357 or 866-MERCK-HD (866-637-2543)</p> <p>Representatives are available 8:30 a.m. to 5:00 p.m. ET, Monday through Friday</p>	<p>Visit About Me on Sync http://365merckdays.merck.com/index.html</p>

WORK LIFE SOLUTIONS			
What's Available	What It Offers	By Phone	Online
Employee Assistance Program (EAP)	Provides up to five sessions per situation with a qualified counselor (by phone or in person) at no charge to you for help managing stress, working through a relationship problem, dealing with parenting or eldercare challenges and more. EAP counselors are available 24 hours a day, 365 days a year and are available to assist you and all your family members.	Value Options 877-44-MERCK (877-446-3725)	www.achievesolutions.net/merck
WorkLife Resource and Referral Program	Access to value-added work/life services and referrals to providers to help you balance work and life issues, including parenting and child care, adoption, K-12 educational concerns, services for older adults, moving and relocation, pet care and more.	Health Advocate 855-675-5463	www.HealthAdvocate.com/Merck
Flexible Work Schedules and Arrangements	Merck provides a global Flexible Work Arrangement policy to enhance employee commitment, manager effectiveness and customer satisfaction.	My Support Center 908-423-4357 or 866-MERCK-HD (866-637-2543) Representatives are available 8:30 a.m. to 5:00 p.m. ET, Monday through Friday	Flexible Work Arrangements at Merck: Visit About Me on Sync, or http://one.merck.com/sites/sa/en-us/pages/flexibleworkarrangements.aspx
College Coach Programs	Workshops, expert counseling and web-based assistance to help employees and their families reach their academic goals (kindergarten through 12 th grade).	866-468-1020	Virtual Learning Center: https://passport.getintocollege.com Company passcode: merckcollegecoach (lower case only) Access the College Coach "Education Help Desk" for assistance on an as-needed basis for additional education-related questions E-mail: merck@getintocollege.com

WORK LIFE SOLUTIONS

What's Available	What It Offers	By Phone	Online
College Coach — Support for Autism Spectrum Disorders	Transition planning and college counseling services for families of students diagnosed with Autism Spectrum Disorders (ASD) and related conditions.	N/A	E-mail College Coach at: merck@getintocollege.com to determine eligibility and information about the program
Merck-Sponsored Day-Care Centers	Convenient, on or near site, high-quality care and state-of-the-art facilities offering flexible scheduling and extended hours to meet a working parent's needs.	Upper Gwynedd Child Learning Center 500 Dickerson Road North Wales, PA 19454 215-616-2610	www.brighthorizons.com/merck
		Bright Horizons at West Point 1631 South Broad Street Lansdale, PA 19446 215-699-7044	www.brighthorizons.com/merck
		The Merck Child Learning Center 199 Halls Mill Road Whitehouse Station, NJ 08889 908-439-2300	www.brighthorizons.com/merck
		Rahway Employee Center for Young Children (ECYC) 125 East Grand Avenue, Building 125 Rahway, NJ 07065 732-594-3292	http://ecyc.merck.com/na/ecyc/en.html
		A Children's Place @ Merck 2980 Jackson Avenue Memphis, TN 38151 901-320-2958	www.brighthorizons.com/merck

WORK LIFE SOLUTIONS			
What's Available	What It Offers	By Phone	Online
National Child Care Discount Programs	10% discount off child care tuition for preschool through school-age classrooms at all community-based KinderCare Learning Centers nationwide.	KinderCare 888-525-2780	www.kindercare.com
	10% discount off the current standard tuition rate schedule for children ages 6 weeks to 5 years, part time or full time.	The Learning Experience 888-278-5715 or 877-844-9110 (CT, MA, NJ, NY, PA)	www.thelearningexperience.com
	10% discount from the normal contract tuition rate at participating Goddard Schools for all ages.	The Goddard School 800-GODDARD (800-463-3273)	www.goddardschool.com/Default.aspx
	Additional dependent care discounts and resources.	Life Care 877-399-8240	www.lifecare.com/merck
Back-Up Dependent Care	<p>Offers back-up care for healthy children or mildly sick children and adult care. Options include center-based as well as home-based care at a fixed copay. Certain restrictions may apply.</p> <p>Additional services also included at no cost:</p> <ul style="list-style-type: none"> • 24/7 referrals via telephone to other back-up care resources such as pet and house sitters. • Additional web-based tools that enable members to access information on child care, adult care and daily needs. 	Life Care 877-399-8240	<p>www.lifecare.com/merck</p> <p>Click "New Users Sign Up" in the "Member Login" box</p> <p>Registration code: MERCK</p> <p>Your Member ID is your WIN (Worldwide Identification Number)</p>

WORK LIFE SOLUTIONS

What's Available	What It Offers	By Phone	Online
Employee Discount Center through LifeMart	Find discounts specifically for Merck on a wide range of products and services including many brand names.	Life Care 877-399-8240	www.lifecare.com/merck Click "New Users Sign Up" in the "Member Login" box Registration code: MERCK Your Member ID is your WIN (Worldwide Identification Number)
Auto Insurance through New Jersey Manufacturers' Insurance Group (NJM)	NJM offers competitive rates, discounts and a return of dividends to policyholders. Employees in NJ and PA can apply for NJM personal auto insurance because Merck is a member of the New Jersey Business and Industry Association (NJBIA).	800-232-6600 Ext. 4515	www.NJM.com
Elder Care Program	Free, online, educational courses including Making Sense of Memory Loss. Empower Online support program designed to provide caregivers with the tools to take care of themselves and navigate their role as a caregiver.	N/A	To learn more about Making Sense of Memory Loss: www.matherlifeways.com/re_msml.asp To learn more about Empower Online: www.matherlifewaysinstituteonaging.com/senior-living-providers/empower-online/
Exceptional Caregiving Website	Web portal that provides information on a range of topics relating to children, teens and young adults with special needs.	N/A	https://ecw.wfd.com User ID: merckecw4 (lower case only) Password: mercknew4 (lower case only) Follow the prompts to create your own personal ID, password and profile (if desired)

BENEFITS CONTACTS

If You Need Information Or Help With...	Contact/Benefits Provider	By Phone	Online
Enrolling for Your 2014 Health and Insurance Benefits, or General Questions About Merck's Health and Insurance Benefits	The Merck Benefits Service Center at Fidelity (Benefits Service Center)	800-66-MERCK (800-666-3725) ¹ Representatives are available 8:30 a.m. to 8:30 p.m. ET, Monday through Friday (excluding New York Stock Exchange holidays)	http://netbenefits.com/merck
Merck PPO — Horizon BCBS	Horizon BCBS	877-663-7258 (group number: 76016-0000) Representatives are available 8:00 a.m. to 8:00 p.m. ET, Monday through Friday	www.horizon-bcbsnj.com/merck
Merck PPO — Aetna Choice POS II	Aetna	800-541-6711 (group number: 479265) Representatives are available 8:00 a.m. to 6:00 p.m. ET, Monday through Friday	www.aetna.com
Kaiser Permanente HMO (closed to new participants)	Kaiser	800-464-4000 Representatives are available 24 hours a day, 7 days a week	www.kaiserpermanente.org
Health Plan Hawaii Plus HMO (Hawaii residents only)	Health Plan Hawaii Plus	808-948-6372 Representatives are available 8:00 a.m. to 4:00 p.m. HAST, Monday through Friday	www.hmsa.com
Merck Managed Prescription Drug Program	Express Scripts Specialty Pharmacy (Accredo)	800-RX-MERCK (800-796-3725) 800-922-8279 Representatives are available 24 hours a day, 7 days a week	www.Express-Scripts.com
EAP for All Employees Behavioral Health for the Merck PPO — Horizon BCBS	ValueOptions	877-44-MERCK (877-446-3725) You can contact ValueOptions by phone 365 days a year, 24 hours a day	www.achievesolutions.net/merck
Behavioral Health for the Merck PPO — Aetna Choice POS II	Aetna Behavioral Health	800-541-6711 (group number: 479265) Representatives are available 8:00 a.m. to 6:00 p.m. ET, Monday through Friday	www.aetna.com
Dental Plan	MetLife	888-262-4870 Representatives are available 8:00 a.m. to 11:00 p.m. ET, Monday through Friday	www.metlife.com/mybenefits

¹ For overseas calls, dial your country's toll-free AT&T USADirect® access number, then enter 800-66-MERCK (800-666-3725). In the United States, call 800-331-1140 to obtain AT&T USADirect access numbers. From anywhere in the world, access numbers are available online at www.att.com/traveler or from your local operator.

If You Need Information Or Help With...	Contact/Benefits Provider	By Phone	Online
Vision Plan	VSP	800-877-7195 Representatives are available 7:00 a.m. to 11:00 p.m. ET, Monday through Friday	www.vsp.com
Health Care FSA Dependent Care FSA	Horizon BCBS	877-663-7258 Representatives are available 8:00 a.m. to 8:00 p.m. ET, Monday through Friday	http://merck.horizonblue.com
Life Insurance <ul style="list-style-type: none"> • Updating or designating your beneficiary • General questions • Enrollment • Filing a claim 	Benefits Service Center	800-66-MERCK (800-666-3725) ¹ Representatives are available 8:30 a.m. to 8:30 p.m. ET, Monday through Friday (excluding New York Stock Exchange holidays)	http://netbenefits.com/merck
Life Insurance <ul style="list-style-type: none"> • EOI questions • Portability/Conversion 	Prudential	877-370-4PRU (877-370-4778) Representatives are available 8:00 a.m. to 8:00 p.m. ET, Monday through Friday	www.prudential.com/index
Short-Term Disability (STD) and Long-Term Disability (LTD)	Cigna	800-238-2125 Representatives are available 8:00 a.m. to 5:00 p.m. ET, Monday through Friday	www.mycigna.com
Long-Term Care	CNA	866-434-5824 Representatives are available 8:00 a.m. to 6:00 p.m. ET, Monday through Friday	www.ltcbenefits.com Password: MerckGLTC
Group Legal Plan	Hyatt Legal	800-821-6400 Representatives are available 8:00 a.m. to 7:00 p.m. ET, Monday through Friday	www.legalplans.com Click on "Thinking About Enrolling?" and enter the password "metlaw" to access the site
Group Auto and Home	MetLife	800-GET-MET8 (800-438-6388) Representatives are available 8:00 a.m. to 10:00 p.m. ET, Monday through Friday, and 9:00 a.m. to 4:00 p.m. ET on Saturday	www.metlife.com/mybenefits

¹ For overseas calls, dial your country's toll-free AT&T USADirect® access number, then enter 800-66-MERCK (800-666-3725). In the United States, call 800-331-1140 to obtain AT&T USADirect access numbers. From anywhere in the world, access numbers are available online at www.att.com/traveler or from your local operator.

To Make or Change Your Beneficiary Designation for...	Contact...	At...
Life Insurance <ul style="list-style-type: none"> • Basic Life • Optional Life • AD&D Insurance 	Benefits Service Center	800-66-MERCK (800-666-3725) http://netbenefits.com/merck
Savings Plan	Benefits Service Center	800-66-MERCK (800-666-3725) http://netbenefits.com/merck
Retirement Plan	N/A	Generally, beneficiary designations are not made until you elect to commence your benefit
Merck Deferral Program	Benefits Service Center	800-66-MERCK (800-666-3725)
Legacy Schering-Plough Savings Advantage Plan (SAP)	Benefits Service Center	800-66-MERCK (800-666-3725) http://netbenefits.com/merck
Stock Incentive Plans	Morgan Stanley Smith Barney	866-37-MERCK (866-376-3725) http://benefitaccess.com

LIVE IT RESOURCES

The following table summarizes the health and wellness resources and tools that may be available to you, depending on the Medical Plan option in which you enroll.

If You Want To...	Use...	Contact/Benefits Provider	By Phone	Online
Get help with your questions about health insurance, medical claims, assistance with eldercare and more	Health Advocate	Health Advocate	855-675-5463	www.HealthAdvocate.com/Merck
Stay fit, achieve a healthy weight, manage stress, have a healthy pregnancy or quit tobacco	Lifestyle Coaching	WebMD Health Coach	866-513-2505	www.liveitmerck.com
Achieve a healthy weight	Weight Watchers Reimbursement Program	Weight Watchers	N/A	http://one.merck.com/sites/sa/en-us/Pages/MercksWeightWatchersReimbursementProgram.aspx
	Lifestyle Coaching	WebMD Health Coach	866-513-2505	www.liveitmerck.com
Speak with a nurse about symptoms, medications, health conditions and simple, self-care tips for non-urgent conditions	24/7 NurseLine	Health Advocate	855-675-5463	www.HealthAdvocate.com/Merck
Find an experienced doctor or facility	Health Advocate	Health Advocate	855-675-5463	www.HealthAdvocate.com/Merck

If You Want To...	Use...	Contact/Benefits Provider	By Phone	Online
Have a healthy pregnancy	Healthy Pregnancy Program	Aetna Beginning Right Maternity Program ¹	800-CRADLE-1 (800-272-3531)	womenshealth.aetna.com
		Horizon BCBS Precious Additions prenatal program ¹	877-663-7258	www.horizon-bcbsnj.com/merck/preciousadditions
		Kaiser Healthy Beginnings ¹	N/A	www.kp.org/pregnancy
		HMSA He Hapai Pono — The Good Pregnancy ¹	888-400-2776	http://www.hmsa.com/healthwellness/womenshealth/prenatalcare/
Get Fit	Merck Onsite Fitness Centers	Onsite Fitness Centers	N/A	Onsite Fitness Centers: http://one.merck.com/sites/sa/en-us/pages/merckfitnesscenters.aspx
	Lifestyle Coaching	WebMD Health Coach	866-513-2505	www.liveitmerck.com
Learn about a medical condition or get general health information	WebMD Resources	WebMD's award-winning general health content on over 1,000 topics	N/A	www.liveitmerck.com
	Health Advocate	Health Advocate	855-675-5463	www.HealthAdvocate.com/Merck
	MerckEngage	MerckEngage	N/A	MerckEngage.com
Get answers to your questions about your LIVE IT incentive Review your Merck benefits and review the SPD for each plan	Merck Benefits Service Center	Benefits Service Center	800-66-MERCK (800-666-3725)	http://netbenefits.com/merck

¹ You must be enrolled in the applicable Merck Medical Plan option to utilize these services.

OTHER IMPORTANT INFORMATION

Eligibility — In General

The health and insurance benefits described in this guide, including the *LIVE IT* program and website, are provided under various plans and programs sponsored by Merck & Co., Inc. or its wholly owned subsidiaries and, other than to the extent described below, are available to:

- Non-union U.S.-based employees (including U.S.-based employees on assignment outside the United States and those currently on Long-Term Disability) of the wholly owned subsidiaries of Merck & Co., Inc. (excluding Telerx Marketing, Inc., Consort Inc., Vree Health LLC and Merck Global Health Innovation Fund, LLC, and each of their subsidiaries); and
- U.S.-based employees of Merck Sharp & Dohme Corp. who are covered by collective bargaining agreements other than those who are members of the United Steelworkers Union Local 10-00086.

Also note that you may not be eligible for all of the benefits described in this guide.

Right to Amend/Terminate. Merck (and its subsidiaries, as applicable) reserves the right to amend these benefits (and the plans and programs under which they are provided, and all other plans and programs described in this communication) in whole or in part or completely discontinue them at any time, subject to the terms of any applicable collective bargaining agreements.

Eligibility — For *LIVE IT*

Please note that you may not be eligible for all of the tools, resources or related health and insurance benefits offered through the *LIVE IT* program. The incentives associated with the Personal Health Assessment (PHA), specifically, do not apply to U.S. expatriates, U.S.-based employees of the wholly owned subsidiaries of Merck & Co., Inc. who are not required to pay a contribution for medical coverage under a plan sponsored by Merck & Co., Inc. or its wholly owned subsidiaries, or members of the United Steelworkers Union Local 10-00086.

Eligibility — For Medical/Dental Coverage Options

U.S.-based employees of the wholly owned subsidiaries or Merck & Co., Inc. who are on assignment outside the United States are not eligible for the Medical Plan options (including the prescription drug coverage and behavioral health coverage provided as part of those options) or the Dental Plan option highlighted here. For information about the medical and dental coverage available to employees on assignment outside the U.S., refer to the Cigna International SPD, available through the Global Mobility website at <http://intlassign.merck.com/na/intlassign/en/Benefits.html> or through the Benefits Service Center at <http://netbenefits.com/merck>. **Note:** Employees residing in Hawaii are only eligible for the HMO option available in that geographic location; they are not eligible to participate in the Merck PPO options.

Eligibility — Other Plans and Programs

In addition, employees who are subject to collective bargaining agreements and employees of Telerx Marketing, Inc., Consort Inc., Vree Health LLC and Merck Global Health Innovation Fund, LLC, and each of their subsidiaries may not be eligible for each of the plans and programs listed under “Other Benefits-Related Programs and Services” or “Work Life Solutions.”

Other Information

This document is a summary of material modifications to Merck’s 2012 health and insurance SPDs. It is not an official plan document or a Summary Plan Description for any of the other plans and programs described in this document. If any information included in this document or any website or any verbal representation conflicts in any way with the official plan document(s), including any contract(s) of insurance purchased pursuant to the plan document(s), the provisions of the plan document(s), as amended, will govern.

The information herein has been provided by Merck & Co., Inc. (and its wholly owned subsidiaries) and is solely their responsibility.

