



YOUR GUIDE TO

Merck's Benefits Programs and 2012 Annual Enrollment

2012 Annual Enrollment for Merck's Health and Insurance Benefits:
OCTOBER 21—NOVEMBER 11

Discover

the Benefits of Merck

Welcome to 2012 Annual Enrollment

(Oct. 21 to Nov. 11)—your opportunity to enroll in or make changes to your health and insurance benefits at Merck.

In 2012, we continue to offer a comprehensive package of health and insurance benefits, which are designed to support your and your family's health and well-being and protect you from financial hardship.

Our health and insurance plans make up a significant part of your Total Rewards and reflect our commitment to provide you with high-quality, cost-effective and affordable coverage that offers individual flexibility and choice. These plans continue to rank among the best in corporate America.

How Will You *LIVE IT*?

Our commitment to providing benefits that are among the best in corporate America goes beyond our health and insurance plan offerings. We are also committed to improving the health of you and your family through our comprehensive, integrated and voluntary wellness initiative, *LIVE IT: Be Well at Merck*—which was launched in September.

See page 15 for important information about how you can *LIVE IT*—and receive a \$10 per month reduction for you and an additional \$10 per month reduction for your spouse/same-sex domestic partner in your 2012 medical plan contributions.

Take Action!

For 2012, you have three important actions to take:

- Read this Guide to learn about the benefits and resources available to you.
- If you haven't already, take your Personal Health Assessment (PHA) on **www.liveitmerck.com** before the Nov. 11, 2011 deadline to receive your Personal Health Summary and earn your *LIVE IT* reward.
- Log on to **<http://netbenefits.fidelity.com>** to enroll for your 2012 health and insurance benefits before the Nov. 11, 2011 deadline.

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DID YOU KNOW?

Merck will spend approximately \$400 million on health care benefits for active U.S. employees in 2012.

According to a recent survey conducted by Hewitt Associates, our health care benefits rank near the 90th percentile of more than 200 surveyed Fortune 500 companies.

You & Merck: Shared Responsibility



At Merck, we take our health and benefits seriously. We are committed to providing you and your family with benefits that are:

- high quality
- affordable
- flexible to meet your needs
- one of the most generous and competitive health care benefits packages in corporate America

But that is just half of the story. You also have an important role to play—and choices to make.

Choose health care options that best fit your needs.

Manage your health care expenses by choosing in-network providers, receiving preventive medical care and taking advantage of the money-saving features of the Merck Managed Prescription Drug Program and selecting the best treatment options for your particular condition.

Embrace a healthy lifestyle: eat well, exercise regularly, stop smoking, get plenty of rest, take your medications.

LIVE IT by using the health management tools and resources available to you to ensure you are getting the support and information you need to receive the right care at the right time in the right place.

Read this guide to learn about Merck's plans, programs and resources available to you for 2012.

What's New

Due to the magnitude of change related to the harmonization of the legacy plans this past year, most health and insurance benefit plan offerings are not changing for 2012. **All health and insurance benefit plans, costs and programs will remain the same in 2012, except as outlined below.**

For details, refer to the overview of each plan beginning on page 8 or the Summary Plan Descriptions (SPDs).

2012 HEALTH AND INSURANCE BENEFITS PROGRAM CHANGES	
Plan	Change
Medical Plan (Including Prescription Drug/ Behavioral Health)	<ul style="list-style-type: none"> Employee contribution rates are changing, as communicated last year as part of our contribution harmonization strategy and to keep pace with medical cost trends. Your contribution may increase or decrease depending on your elected plan option, legacy company and whether or not you and your spouse/same-sex domestic partner complete the Personal Health Assessment (PHA). Opportunity to receive a \$10 per person decrease toward your medical plan contribution if you and your enrolled spouse/same-sex domestic partner complete the <i>LIVE IT</i> PHA at www.liveitmerck.com by Nov. 11, 2011. There are certain plan coverage changes to the Kaiser Permanente HMO option. If you are a participant in the Kaiser Permanente HMO option, you will receive details under separate cover. Prescription drug copay decreases for diabetic medications and supplies to encourage adherence to your treatment plan. Certain specialty medications will only be available through mail order through Accredo, Medco's specialty pharmacy.
Dental Plan	<ul style="list-style-type: none"> Increase in dental plan contributions to keep pace with dental cost trend.
Life Insurance	<ul style="list-style-type: none"> Evidence of Insurability questions can now be answered online—and you can get an immediate response. No change in the schedule of employee contributions. You may see an increase in your contribution if your age at Jan. 1, 2012 moves you to a higher age bracket. Smoker/non-smoker rates still apply. <ul style="list-style-type: none"> Save money (and improve your health) by quitting tobacco. Enroll in the <i>LIVE IT</i>: Tobacco Free telephonic health coaching program through WebMD for personal assistance. As a reminder, nicotine replacement therapy is covered at no cost through the Managed Prescription Program through Medco.
Survivor Benefits	<ul style="list-style-type: none"> The health benefits available to enrolled dependents of employees who pass away when actively employed have been harmonized.
Vision Care Plan	<ul style="list-style-type: none"> Increase in vision care plan contributions to keep pace with vision cost trend.

2012 HEALTH AND INSURANCE BENEFITS PROGRAM CHANGES

Plan	Change
LIVE IT: Be Well at Merck	<ul style="list-style-type: none"> Log on to www.liveitmerck.com to access Merck's new suite of tools, programs, information and incentives designed to help you make better decisions to maintain or improve your health. <ul style="list-style-type: none"> Take the PHA by Nov. 11, 2011, and earn a \$10 per month (up to \$120) reduction in your 2012 Merck medical contributions. Earn an additional \$10 per month (up to \$240 total) contribution reduction in 2012 when your enrolled spouse or same-sex domestic partner completes it too. Qualify for more contribution reductions in 2013 when you complete certain health programs between now and late 2012. Look for details in future communications.
Group Auto and Home Insurance	<ul style="list-style-type: none"> Eligibility has been expanded to legacy Merck employees beginning Jan. 1, 2012.

THINGS 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 the following plans:

- Medical
- Dental
- Vision
- Dependent Life Insurance
- LTC Insurance (does not apply to your dependent children)

When enrolling your dependents for coverage, you will need to provide the Social Security number of each dependent. If your dependents are already enrolled for coverage, please verify your dependent's Social Security number by logging on to <http://netbenefits.fidelity.com>.

To see which dependents are listed for coverage, please refer to your *Enrollment Worksheet*, available online during annual enrollment.

If your dependent is no longer eligible for coverage (for example, your child is over age 26, or you and your same-sex domestic partner no longer live together

and are not financially responsible for each other's well-being), you must contact the Merck Benefits Service Center immediately to be sure his or her coverage is terminated. Regardless of when you notify the Merck Benefits Service Center, coverage for your ineligible dependent will end as described in the SPD for the applicable plan. However, if you do not contact the Merck Benefits Service Center within 60 days of the date your dependent's coverage ends, your dependent will not be eligible for continuation coverage through COBRA. Note, if you drop a dependent from coverage during annual enrollment by reducing your coverage tier, the dependent is not eligible to continue coverage through COBRA.

In order to ensure Plan compliance, Merck reserves the right to audit the coverage of your dependent.

If you are covering an ineligible dependent or are found to have provided false or misleading information in order to receive health care coverage, you may be subject to disciplinary action, up to and including termination of employment.

For a complete definition of an eligible dependent, see the SPDs, available on <http://netbenefits.fidelity.com> or the About Me section of Sync, the Merck intranet site.

Should You Have Other Benefits Coverage?

Merck's health benefit 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 which 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 and you timely notify the Merck Benefits Service Center to make a change to your coverage.

2012 BENEFITS QUESTIONS?

Beginning Oct. 21, you can:

- Go online to <http://netbenefits.fidelity.com>.
- Call the **Merck Benefits Service Center** at **800-666-3725**. Representatives are available from 8:30 a.m. to 8:30 p.m. EST, Monday through Friday.
- Review the Summary Plan Description (SPD) for the applicable benefit plan, available online at <http://netbenefits.fidelity.com> or on Sync, the Merck intranet in the About Me section. You can also request a hard copy by calling the **Merck Benefits Service Center**. The SPD for each benefit plan includes detailed information about the benefits provided by, and the administration of, each benefit plan.
- Contact our benefits vendors directly. See page 34 for the "Benefits Contacts" listing.

Take Action!



Log onto <http://netbenefits.fidelity.com> to:

- View your current health and insurance benefits elections.
- View your 2012 health and insurance benefits options, coverage tiers and employee contribution amounts.
- Review your enrolled dependents to be sure they still meet the eligibility requirements.
- Enroll for your 2012 health and insurance benefits.
- Review your beneficiary designations (available under “Your Profile”).

IF YOU DO NOT TAKE ACTION

If you do not make an election by Nov. 11, you will receive the same health and insurance coverage in 2012 as you have in 2011 (provided that coverage is available to you and your covered dependents continue to qualify as eligible dependents), except for Flexible Spending Accounts (FSAs).

To participate in the FSAs in 2012, you must make an affirmative election during annual enrollment.

If You Have A Life Event Before Dec. 31, 2011

If you experience a qualifying 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 Merck Benefits Service Center at 800-666-3725 or online at <http://netbenefits.fidelity.com> to ensure both your 2011 and 2012 coverage elections correctly reflect any changes made to your benefits due to your life event.

2012 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.fidelity.com> 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"/> Merck 80/20—Horizon BCBS <input type="checkbox"/> Health Plan Hawaii Plus HMO (Hawaii Only) <input type="checkbox"/> Kaiser HMO (CA only)—Closed to new entrants <input type="checkbox"/> No coverage 	Choose your coverage tier: <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 tier: <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 Care	Choose your vision plan option: <ul style="list-style-type: none"> <input type="checkbox"/> Merck Vision Care Plan—VSP <input type="checkbox"/> No coverage 	Choose your coverage tier: <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)

PLAN	OPTION
Health Care Flexible Spending Account	<input type="checkbox"/> Contribution amount between \$120 and \$5,000 (\$_____)
Dependent Care Flexible Spending Account	<input type="checkbox"/> Contribution amount between \$120 and \$5,000 (\$_____)
Life Insurance	<p>Optional Life Insurance</p> <p><input type="checkbox"/> Optional Life Insurance (_____ x base pay)</p> <p>Accidental Death and Dismemberment Insurance</p> <p><input type="checkbox"/> Accidental Death and Dismemberment (AD&D) Insurance (_____ x base pay)</p> <p>Dependent Life Insurance</p> <p><input type="checkbox"/> Dependent Life/Spouse/Same-Sex Domestic Partner Insurance (\$_____)</p> <p><input type="checkbox"/> Dependent Life/Child Insurance (\$10,000)</p> <p><input type="checkbox"/> Designate your beneficiary with Fidelity (click on "Your Profile" tab)</p>
Long-Term Disability (LTD)	<p><input type="checkbox"/> 60% of base pay pre-tax</p> <p><input type="checkbox"/> 60% of base pay after-tax</p> <p><input type="checkbox"/> 70% of base pay after-tax</p>
Group Legal	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
Long-Term Care (LTC) Insurance	<p><input type="checkbox"/> Contact CNA directly at 866-434-5824 for your available options and contributions</p> <p><input type="checkbox"/> No coverage</p>
Group Auto and Home Insurance	<p><input type="checkbox"/> Contact MetLife directly at 800-438-6388 at any time for legacy Schering-Plough employees and after Jan. 1 for legacy Merck employees</p> <p><input type="checkbox"/> No coverage</p>
Eligible Dependents	<p><input type="checkbox"/> Confirm that the dependents you want to cover meet the plans' dependent eligibility rules</p> <p><input type="checkbox"/> Check dependent data and update any missing information (e.g., Social Security numbers)</p>
LIVE IT	<p><input type="checkbox"/> Complete your PHA on www.liveitmerck.com by Nov. 11</p> <p><input type="checkbox"/> Encourage your spouse/same-sex domestic partner to complete it too</p>

Medical Plan



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 10 for details.

OPTIONS

Merck PPO—Horizon BCBS¹ and Merck PPO—Aetna Choice POS II

Offers a wide range of preventive and medically necessary services and supplies, from any provider you choose. Benefits are higher, however, when you receive care from in-network providers. You do not need to select a primary care physician (PCP) and referrals to specialists are not required.

Merck 80/20—Horizon BCBS¹

Offers a wide range of preventive and medically necessary services and supplies, from any provider you choose. You do not need to select a PCP and referrals to specialists are not required.

Health Plan Plus Hawaii HMO (Hawaii residents only)

Coverage generally available only if you use in-network providers.

Kaiser Permanente HMO (CA residents only; closed to new entrants)

Coverage generally available only if you use in-network providers. Certain plan provisions updated for 2012.

No Coverage Option

Offers no coverage for medical services (including behavioral health care or prescription drugs). May make sense for employees who have medical coverage elsewhere (for example, through a spouse's/same-sex domestic partner's plan).

Special note 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 opt-out of coverage under the Merck Medical Plan for 2012, a coverage waiver form will be mailed to you in the first quarter of 2012 for you to complete and return. Contact My Support Center at 866-MERCK-HD (866-637-2543) for more information.

¹ Beginning Jan. 1, 2012, Summit Medical Group (SMG) in NJ will be considered an in-network provider in Horizon BCBS through a special pilot Accountable Care Organization program, available to Merck employees and retirees. Currently, SMG is a participating provider in the Aetna Choice POS II network and we expect it will continue to participate in 2012.

COST

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

As communicated last year, 2012 monthly contributions for medical coverage will change: The impact depends on the medical plan option you elect, your legacy company and whether or not you and your enrolled spouse/same-sex domestic partner, if any, complete the PHA.

The following are the full-time monthly contribution rates for 2012*. Note, these rates do not reflect the monthly medical plan contribution reduction you are eligible to receive if you complete your PHA by Nov. 11. See the box below for details.

	Employee Only	Employee + Spouse/Same-sex Domestic Partner	Employee + Child(ren)	Employee + Spouse/Same-sex Domestic Partner + Child(ren)
Merck PPO—Horizon BCBS	\$68.00	\$167.00	\$130.00	\$229.00
Merck PPO—Aetna Choice POS II	\$78.00	\$192.00	\$150.00	\$264.00
Merck 80/20—Horizon BCBS	\$85.00	\$210.00	\$164.00	\$289.00
Health Plan Hawaii Plus HMO (Hawaii residents only)	\$68.00	\$170.00	\$136.00	\$238.00
Kaiser Permanente HMO (closed to new participants)	\$97.00	\$225.00	\$186.00	\$314.00

TAKE THE PHA AND SAVE!

Complete the PHA on www.liveitmerck.com and save \$10 per month on your 2012 medical contributions. Have your spouse/same-sex domestic partner complete the PHA and save another \$10 per month (up to \$240 total) in 2012. Note that the contribution reduction applies to active employees and separated employees during their active benefit continuation period. The contribution reduction is not reflected in the rates listed above and does not apply to COBRA coverage.

NOTE: If you completed the PHA by Oct. 4, 2011, your medical plan contributions on <http://netbenefits.fidelity.com> will reflect your PHA reward. If you completed your PHA after Oct. 4, 2011, the contribution rates shown online do not reflect the medical plan contribution reduction. Check back on or after Dec. 15 to view your reduced contribution.

* If you are a part-time employee, your contribution rates will differ. Log on to <http://netbenefits.fidelity.com> to see the rates available to you.

The following is a summary of the benefits offered under each plan option. For more specific details, refer to the appropriate section of the SPD.

SUMMARY OF BENEFITS ¹			
	Merck PPO—Horizon BCBS Merck PPO—Aetna Choice POS II		Merck 80/20— Horizon BCBS
	In-Network	Out-of-Network ²	
Plan Features, Highlights & Limitations			
	Individual/Family Maximum		Individual/Family Maximum
Annual Deductible	\$250/\$500	\$500/\$1,000	\$400/\$800
Annual Out-of-Pocket Maximum (includes deductible) ²	Minimum \$750/maximum \$3,200; Minimum \$1,500/maximum \$6,400	Minimum \$1,500/maximum \$6,400; Minimum \$3,000/maximum \$12,800	Minimum \$1,250/maximum \$5,000; Minimum \$2,500/maximum \$10,000
Plan Coinsurance	90% after deductible	70% of R&C limit, after deductible	80% of R&C limit
Reasonable & Customary (R&C) Charges	N/A	You pay amounts above R&C	You pay amounts above R&C
Lifetime Maximum	None	None	None
Physician Office Visits	\$15 physician copay \$25 specialist copay	70% of R&C limit, after deductible	80% of R&C limit, after deductible
Wellness Benefits			
Physical Exams	100%, no copay and no deductible	70% of R&C limit, no deductible	100% of R&C limit, no deductible
Wellness/Preventive Services	100%, no copay and no deductible	70% of R&C limit, no deductible	100% of R&C limit, no deductible
Emergency Services			
Ambulance	90%, after deductible	90% of R&C limit, after deductible	80% of R&C limit, after deductible
Emergency Room	90%, after deductible	90% of R&C limit, after deductible	80% of R&C limit, after deductible
Urgent Care	100%, after \$15 physician copay	70% of R&C limit, after deductible	80% of R&C limit, after deductible
Special Services			
Chiropractic Care—Up to 25 visits per calendar year per person; maintenance therapy not covered	\$25 specialist copay	70% of R&C limit, after deductible	80% of R&C limit, after deductible
Infertility Diagnosis and Treatment—Artificial insemination, advanced reproductive treatment (ART)	90%, after deductible	70% of R&C limit, after deductible	80% of R&C limit, after deductible
Note that a combined lifetime maximum of \$25,000 applies for medical benefits			

SUMMARY OF BENEFITS ¹			
	Merck PPO—Horizon BCBS Merck PPO—Aetna Choice POS II		Merck 80/20— Horizon BCBS
	In-Network	Out-of-Network ²	
Maternity Delivery— Charges in a hospital or approved, licensed birthing center	90%, after deductible	70% of R&C limit, after deductible	80% of R&C limit, after deductible
Short-Term Rehabilitation— Physical therapy, occupational therapy, speech therapy	90%, after deductible	70% of R&C limit, after deductible	80% of R&C limit, after deductible
Mental Health			
• Inpatient	90%, after medical plan deductible	70% of R&C limit, after medical plan deductible	80% of R&C limit, after medical plan deductible
• Outpatient	90%, after medical plan deductible	70% of R&C limit, after medical plan deductible	80% of R&C limit, after medical plan deductible
Outpatient Mental Health and Substance Abuse Care— Performed in a behavioral health care provider's office	100% after a \$15 copay	70% of R&C limit, after medical plan deductible	80% of R&C limit, after medical plan deductible

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

² Annual out-of-pocket maximum varies based on your base pay as of Nov. 1 immediately before the beginning of the given calendar year.

QUESTIONS?

For more information, use the Plan Comparison Tool on <http://netbenefits.fidelity.com>.

For complete details, refer to the SPD for the Merck Medical Plan available on <http://netbenefits.fidelity.com> or the About Me section of Sync, or call the vendors directly. (See page 34 for the “Benefits Contacts” listing.)

PRESCRIPTION DRUG BENEFITS

The Managed Prescription Drug program, administered by Medco, is included with all medical options, except the “No coverage” option.

Log on to **www.medco.com** to compare costs, order refills, check the status of your orders, and request additional order forms and envelopes. Once registered, you can receive personalized e-mails, including refill reminders, notification of potential adverse drug interactions and suggested ways to save money. If you are a first-time visitor to the Medco website, take a moment to register. (Have your member ID number and a recent prescription number handy.)

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 Medco Member Services at 800-Rx-Merck (800-796-3725). You, your doctor or your pharmacist must call Medco to initiate a coverage review of any medications that require prior authorization.

PRESCRIPTION DRUG COPAYS		
Drug	Participating Retail Pharmacy Copay ^{1,2,3} up to a 30-Day Supply	Medco Pharmacy Copay (Mail Order) up to a 90-Day Supply
Merck brand drugs	\$0	\$0
Generic drugs	\$10 ⁴	\$20 ⁵
Non-Merck brand drugs (When generic equivalent is NOT available)	\$25 ⁴	\$50 ⁵
Non-Merck brand drugs (When generic equivalent is available)	\$10 copay plus the difference between the brand price and its generic equivalent, up to \$50 cap per prescription	\$20 copay plus the difference between the brand price and its generic equivalent, up to \$100 cap per prescription

¹ Certain prescription medications are covered only by mail order through the Medco Pharmacy or Accredo, Medco's specialty pharmacy.

² Non-Merck brand oral contraceptives and non-Merck brand male erectile dysfunction medications (MEDS) are covered only by mail order through the Medco Pharmacy. Merck brand oral contraceptives and MEDS may be filled at a participating retail pharmacy at a \$0 copay.

³ Prescriptions filled at non-participating pharmacies will be reimbursed based on the network-negotiated price of the medication, minus the applicable copay. Employees are responsible for any drug costs in excess of network-negotiated fees. *Member Pay the Difference* provisions (without the cap) apply for non-Merck brands that are filled when a generic is available.

⁴ **New for 2012:** Copay is \$0 for generic diabetic medications and supplies and \$10 for non-Merck brand diabetic medications and supplies.

⁵ **New for 2012:** Copay is \$0 for generic diabetic medications and supplies and \$20 for non-Merck brand diabetic medications and supplies.

DID YOU KNOW?

How you, your family members and your co-workers use the plan directly impacts your contribution levels and the company's expense. Be sure to use your health care wisely.

NEW FOR 2012

Certain Specialty Medications Only Available through Mail Order

Beginning Jan. 1, 2012, **certain specialty medications are only available through mail order** (you may receive your first fill at retail) through Accredo Health Group, Inc., Medco's specialty pharmacy. If you are taking a specialty medication, contact Accredo at 800-922-8279 for details.

The Benefits of Specialty Medicines through Accredo

Specialty medications are drugs that are used to treat complex conditions, such as cancer, growth hormone deficiency, hemophilia, hepatitis C, immune deficiency, multiple sclerosis, and rheumatoid arthritis. Medco's dedicated specialty pharmacy, Accredo, is composed of therapy-specific teams that provide an enhanced level of personalized service to patients with special therapy needs.

Specialty medications require an enhanced level of service whether they're administered by a health care professional, self-injected, or taken by mouth. Order your specialty medications through Accredo and receive:

- Toll-free access to specialty-trained pharmacists and nurses 24 hours a day, seven days a week
- Expedited, scheduled delivery of your medications at no additional charge
- Necessary supplies, such as needles and syringes, provided with your medications
- Safety checks to help prevent potential drug interactions
- Refill reminders
- Health and safety monitoring

For more information about Accredo, or to order your specialty medications, please call the Medco dedicated line for Accredo at 800-922-8279.

Reduced Costs for Diabetes Medications and Supplies

In order to encourage diabetics to follow their treatment plan, beginning Jan. 1, 2012, all generic diabetes medications and supplies, as well as Merck brand drugs, will be provided at no cost to you. In addition, the cost for non-Merck brand diabetic drugs and supplies will be reduced to the generic copay rate (\$10 at retail pharmacies for a 30-day supply; \$20 at mail order for a 90-day supply).

BEHAVIORAL HEALTH CARE BENEFITS

Behavioral health care benefits (in excess of the five evaluation and assessment sessions that are part of the Employee Assistance Plan (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 option in which you are enrolled.

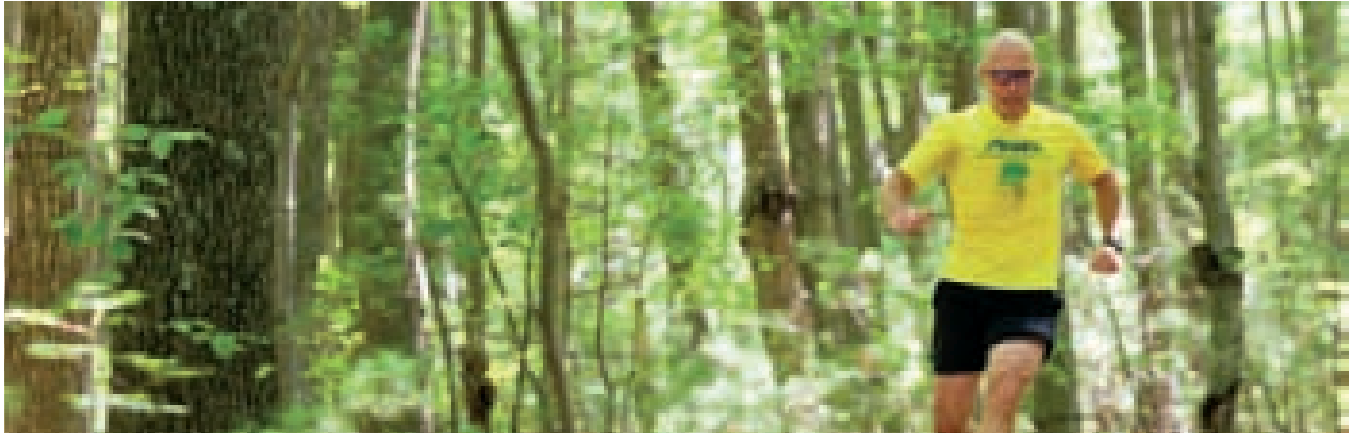
BEHAVIORAL HEALTH CARE BENEFITS	
Medical Plan Option	Behavioral Health Care Provider
Merck PPO—Horizon BCBS Merck 80/20—Horizon BCBS	ValueOptions Only ValueOptions providers are considered in-network for behavioral health benefits under the Merck PPO—Horizon BCBS option. For in-network providers and 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. EST.
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 administers your behavioral health care benefits. 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 by phone (or online) 365 days a year, 24 hours a day. The EAP is available to you and your eligible family members, offering up to five sessions at no cost to you, per situation. You and your family members do not need to be enrolled in a Merck-sponsored Medical Plan in order to utilize the services of the EAP.

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

Programs to Help You *LIVE IT!*



As a company, we are dedicated to improving the health of people around the world. We have saved and improved countless lives with the medicine we have developed. But good health is more than just the medicine 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*, Merck's new culture of health initiative, 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.



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 Personal Health Assessment (PHA).
- 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.

GREAT REASONS TO LIVE IT

By using the full array of tools, programs and information available under *LIVE IT*, you can:

- Lead a healthier and more vibrant life
- Feel better
- Spend less money on health care expenses
- Be more productive at work and in your personal life
- Get the support you need to make better, more informed health decisions

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.

REWARD YOURSELF

And, if the benefits of good health alone aren't incentive enough to begin to *LIVE IT*, consider the \$10 per month (up to \$120 per year*) reduction you will receive when you complete the PHA by Nov. 11, 2011 and enroll in a Merck Medical Plan option for 2012. Earn another \$10 per month (for up to \$240 total per year*) reduction in 2012 medical plan contributions when your enrolled spouse or same-sex domestic partner completes the PHA by Nov. 11, 2011*. You can also qualify for more contribution reductions in 2013 when you complete certain health programs between now and late 2012.

* Employees who do not complete the assessment by the deadline will not receive this reduction for 2012. To receive the maximum reduction, you must also be participating in a Merck medical plan in 2012 either as an active employee or a separated employee during your active benefits continuation period, or the eligible spouse or same-sex domestic partner of such employee. If your active coverage ends during the year (e.g., you become covered as a retiree; you reach the benefits continuation date as a separated employee; or your ex-spouse becomes eligible for COBRA after a divorce), the reduction will no longer apply.

Dental Plan



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

OPTIONS

Comprehensive Dental Option

Offers coverage for a wide range of dental services including preventive, basic, major restorative 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 Option

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 2012*.

	Employee Only	Employee + Spouse/Same-sex Domestic Partner	Employee + Child(ren)	Employee + Spouse/Same-sex Domestic Partner + Child(ren)
MetLife Comprehensive Dental Option	\$16.00	\$40.00	\$32.00	\$56.00

* If you are a part-time employee, your contribution rates will differ. Log on to <http://netbenefits.fidelity.com> to see the rates available to you.

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

DENTAL COVERAGE		
Covered Expense	Plan Pays	Benefit Limit
Preventive and Diagnostic Services <ul style="list-style-type: none"> Routine exams (two per calendar year), including: cleanings, X-rays and scaling or fluoride treatments Sealants, space maintainers 	MetLife PDP dentist: 100% Non-participating dentist: 100% of R&C limit	\$2,000 annually for each covered person, combined with basic and major 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 two periodontal maintenance visits), denture repair, oral surgery, implants 	MetLife PDP dentist: 80% of pre-negotiated rate after \$50 per person (\$150 family maximum) deductible Non-participating dentist: 80% of R&C limit, after \$50 per person (\$150 family maximum) deductible	\$2,000 annually for each covered person, combined with major and preventive services
Major Care <ul style="list-style-type: none"> Gold fillings and inlays New or replacement dentures and bridgework (certain limits apply) Crowns 	MetLife PDP dentist: 50% of pre-negotiated rate after \$50 per person (\$150 family maximum) deductible Non-participating dentist: 50% of R&C limit, after \$50 per person (\$150 family maximum) deductible	\$2,000 annually for each covered person, combined with basic and preventive services
Orthodontic Services For covered children up to age 26	MetLife PDP dentist: 50% of pre-negotiated rate after \$50 per dependent child deductible Non-participating dentist: 50% of R&C limit, after \$50 per dependent child deductible	\$2,000 lifetime limit per eligible dependent child

Pre-treatment Estimates—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.

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.

DID YOU KNOW?

If you participate in the Dental Plan, you may be eligible for pre-negotiated discounted rates from a MetLife PDP provider for non-covered services, such as bleaching. Tell your provider you have dental coverage through MetLife to receive the discounted rates.

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 Flexible Spending Accounts. You may set aside between \$120 and \$5,000 to each account annually.

If you elect FSA participation for 2012, all expenses must be incurred during the calendar year from January through December 2012 (and for the Health Care FSA while you are still an active, eligible employee unless you elect to continue coverage through COBRA) in order to be eligible for reimbursement. You may submit 2012 claims for reimbursement to Horizon BCBS until April 15, 2013. Any 2012 claims submitted to Horizon BCBS for reimbursement after April 15, 2013 will be denied.

Keep in mind that if you wish to participate in the Health Care FSA or Dependent Care FSA for 2012, you must actively enroll during annual enrollment.

HEALTH CARE FSA

If you choose to make contributions 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, including OTC non-drug items, that qualify for reimbursement. Visit the Horizon BCBS website at <http://www.horizonblue.com/merckfsa> or call 800-224-4426. A full list of eligible expenses is also included in IRS Publication 502, available at www.irs.gov.

To determine the amount of money to contribute to an FSA, take advantage of the flexible spending account calculator available through Horizon BCBS at www.horizonblue.com/merckfsa or the FSA Calculator, available through Fidelity NetBenefits at <http://netbenefits.fidelity.com>.

Aetna HealthFund Reminder for Legacy Schering-Plough Colleagues

As communicated during last year's annual enrollment period, if you participated in the Aetna HealthFund medical plan option as of Dec. 31, 2010, you have the ability to continue to use any existing balance in your HRA to receive reimbursement for eligible expenses through Dec. 31, 2012. Contact Aetna with any questions regarding your Aetna HealthFund HRA at 888-238-6226.

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
- 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.

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.

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 BCBS FSA Card (known as the *Benny® Prepaid MasterCard®*). If you currently participate in the Health Care FSA and re-enroll for 2012, you will continue to use your current Benny card, which will be funded with your 2012 elected amount on Jan. 1.

Present the card to the provider at the point of service and the provider will then charge the card as a credit purchase. The amount of qualified purchases will be deducted from your Health Care FSA balance. **Please be sure to keep your copay or coinsurance receipts in case you need to substantiate your purchases.** Note that you cannot use the card to purchase OTC items.

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.

Horizon recommends using your Benny Prepaid MasterCard for copays. However, for any care where coinsurance is used, such as dental or medical care, Horizon recommends you file a paper form for reimbursement.

Dependent Care FSA Expense Submission

If you enroll in the Dependent Care FSA for 2012, you will be able to submit your monthly day-care expenses online through the Horizon secure website at www.horizonblue.com/merckfsa. 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.fidelity.com>, on the About Me section of Sync, or the Horizon BCBS website at www.horizonblue.com/merckfsa.

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 Insurance, and Business Travel Accident Insurance. 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 America, a CIGNA company.

Merck pays the full cost of your Basic Life Insurance equal to 1 x base pay. However, you will be required to include the value of basic life insurance coverage in excess of \$50,000 in income. In addition, you may choose to protect yourself and your family with other employee-paid life insurance and coverage amounts, as highlighted below. Please note that certain life insurance rates are based on your age and salary as well as your smoker/non-smoker status.

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; company program: MRK) or call 888-566-8630.

TYPE OF INSURANCE	COVERAGE OPTIONS
Basic Life	<ul style="list-style-type: none"> No election required. Automatic company-provided coverage equal to 1 x base pay¹ (up to \$5 million). 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 1 x to 8 x base pay (up to \$16 million). 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 elect to reduce your coverage to the 1 x to 8 x base pay option, you will not be permitted to increase your Optional Life Insurance beyond the plan maximums in the future.
Accidental Death and Dismemberment (AD&D)	<ul style="list-style-type: none"> Pay-based¹ options range from 1 x to 8 x 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 an 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 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 4 x 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. For union employees with cost-of-living adjustments (COLA), base pay includes COLA.

NEW FOR 2012: LIFE INSURANCE EVIDENCE OF INSURABILITY NOW ONLINE

If you elect to participate in the Optional Life Insurance program or would like to increase your coverage amount, Evidence of Insurability questions can now 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.

ABOUT SMOKER RATES

Merck applies smoker rates to its employee optional life insurance options. As you review your life insurance options, keep in mind that you will be required to 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 2012, 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, you will be considered to have provided false enrollment information and may be subject to discipline up to and including termination of employment. Additionally, if it is later determined that you do not qualify as a non-smoker, any benefits that might eventually be paid to the beneficiary(ies) for your life insurance could be impacted.

LIVE IT TOBACCO-FREE

Quitting tobacco use can be a challenge. To help you in your efforts, *LIVE IT* offers the following resources:

LIVE IT: Tobacco Free

Enroll and complete this 12-week program to quit for good. A WebMD Health Coach, a specialist trained in tobacco cessation techniques, 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! Don't delay. Call 866-513-2505 to enroll.

FREE Nicotine Replacement Products through Medco

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

REVIEW YOUR BENEFICIARY DESIGNATIONS

As you make your life insurance elections, don't forget to review your beneficiary designations for Basic Life and Optional Life insurance (and AD&D). Go to <http://netbenefits.fidelity.com> to the "Your Profile" tab and then click "Beneficiaries".

If you have questions, contact a Customer Service Associate at the Merck Benefits Service Center at 800-66-MERCK (800-666-3725). Remember, if you do not have a valid beneficiary designation on file with Fidelity when you die, death benefits payable under the Merck Life Insurance Plan will be paid to your estate.

MID-YEAR CHANGES PERMITTED

You can change your employee-paid life insurance coverages during the year by contacting Fidelity. However, increases in those coverages are effective only if you satisfy the plan's evidence of insurability and actively-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 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.

If You Die While Actively Employed... Survivor Health Benefits Harmonized

As part of our continuing efforts to harmonize all programs and policies, beginning Jan. 1, 2012, the health benefits available to enrolled survivors of legacy Merck and legacy Schering-Plough (including OBS) have been harmonized effective Jan. 1, 2012.

Generally, your enrolled dependents at the time of your death will be eligible to continue medical and dental benefits at no cost to them for up to 24 months following your date of death, as long as they continue to meet the definition of an eligible dependent. This coverage runs concurrent with COBRA. After the 24 months of coverage provided at Merck's expense, if you were eligible for retiree medical coverage at the time of your death, your enrolled dependents will be eligible to continue coverage under the Retiree Medical plan by paying the applicable retiree medical rate. Otherwise, your enrolled dependents will be eligible to continue their benefits through COBRA by paying the active COBRA contribution rate. Special rules apply if you had at least 25 years of service at the time of your death and did not satisfy the retiree medical eligibility requirements. Refer to the 2012 Medical Plan SPD for complete details.

If you were participating in the Health Care or Dependent Care FSA, your covered dependents may submit claims for reimbursement through the end of the calendar year of your death, if applicable.

Disability Programs



Merck automatically provides you with company-paid Short-Term Disability (STD) coverage and Long-Term Disability (LTD) coverage (60% of base pay, pre-tax). You have the option of electing 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.

SHORT-TERM DISABILITY PLAN

STD coverage provides income if you are unable to work for an extended period of time due to a non-work related injury, illness or medical condition that prevents you from performing your own occupation, 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 a payroll deduction 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 seven calendar days, call CIGNA at 800-238-2125 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 through 26. There are no service requirements.

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

LONG-TERM DISABILITY PLAN

The LTD plan provides coverage to replace a percentage of your income if you become disabled and are unable to work. 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). 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 (pre-tax). You may choose from two levels of LTD coverage for approved disability leaves beyond 26 weeks—income replacement of 60% or 70% of base pay. You may also elect the 60% benefit on an after-tax or pre-tax basis. Changes to your coverage levels are subject to the plan's EOI and actively-at-work requirements.

Should I Elect After-Tax or Pre-Tax LTD Coverage?

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

- **After-tax option.** You will be taxed now 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 coverage.
- **Pre-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 for receiving this benefit. However, you will pay federal income taxes on any disability benefits you receive under the plan.

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

Voluntary Benefits



VISION CARE PLAN

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

Options

- **Coverage:** Benefits under the vision care 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 an in-network VSP provider, which lowers your out-of-pocket costs, or to an out-of-network, licensed ophthalmologist, optometrist or optician of your choice.
- **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).

No ID Cards Needed for Vision Coverage

You will **not** receive an ID card if you enroll for vision care coverage. Instead, when you make an appointment, tell the service provider that you are a VSP member and that your employer is Merck.

Cost

You pay the full cost of vision care benefits. If you elect vision care coverage, you can choose to cover certain eligible dependents by selecting a coverage tier.

The following are the monthly contribution rates for 2012, depending on your coverage tier election.

	Employee Only	Employee + Spouse/Same-sex Domestic Partner	Employee + Child(ren)	Employee + Spouse/Same-sex Domestic Partner + Child(ren)
VSP—Vision Care Plan	\$9.42	\$23.55	\$18.86	\$32.99

LONG-TERM CARE

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

- A nursing home
- An adult day-care center
- At home
- Through other long-term care facilities.

LTC coverage is insured and administered through CNA.

How LTC Works

Each of the CNA Independent Solutions options offers a different daily benefit level (\$100, \$200 or \$300 per day) and lifetime maximum, which differ based on the option you elect. You may choose between low, medium, or high standard and automatic inflation coverage options. If you choose the automatic inflation protection feature, the dollar amount of your daily benefit increases automatically 5% each year without a corresponding increase in your premiums.

You pay the full cost of LTC insurance.

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

For more information about the LTC insurance options, including costs, or to view your current premium:

- Visit the CNA website at www.ltcbenefits.com (password: MerckGLTC)
- Call CNA at 866-434-5824

How to Enroll for Coverage

You will enroll for this coverage through CNA, not through Fidelity NetBenefits. To enroll, call CNA at 866-434-5824 (8:00 a.m. to 6:00 p.m., Monday through Friday) to request an enrollment kit, or visit the CNA website at www.ltcbenefits.com (password: MerckGLTC). Evidence of Insurability is required if you were previously eligible for coverage and did not enroll.

GROUP AUTO AND HOME INSURANCE

Group auto and home insurance is offered through MetLife. You can enroll at any time by contacting MetLife directly. Call 800-GET-MET8 (800-438-6388) for quotes and to apply for coverage. Representatives are available from 8:00 a.m. to 11:00 p.m. EST, Monday through Friday, and from 8:00 a.m. to 5:00 p.m. EST, Saturday.

NEW FOR 2012

Beginning Jan. 1, 2012, legacy Merck employees will be eligible to participate in the MetLife Group Auto and Home Insurance Program. Contact MetLife after Jan. 1, 2012 for quotes and to apply for coverage.

GROUP LEGAL PLAN

Group legal coverage is offered through MetLaw/Hyatt Legal Plans on a voluntary basis. Through the group legal plan, you have access to a nationwide network of experienced attorneys who can provide you with a range of legal services at 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 2012.

	Coverage
Group Legal	\$15.75

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.

You can only enroll for group legal coverage during annual enrollment. Qualified status changes will not apply.

If you would like more information or are interested in enrolling, go to www.legalplans.com. You may also call Hyatt Legal at 800-821-6400. Representatives are available from 8:00 a.m. to 7:00 p.m. EST, Monday through Friday.

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 employee and family-friendly benefits and services (which may vary from site to site).

OTHER BENEFITS-RELATED PROGRAMS AND SERVICES

What's Available	What It Offers	By Phone	Online
Retirement Plan¹	Merck's Retirement Plans are qualified pension plans, designed to provide you with retirement income.	Legacy Merck: 800-255-5794 Legacy Schering-Plough Retirement Center: 866-201-2825	Legacy Merck—OnPoint: https://merck-db.buckwebsolutions.com Legacy Schering-Plough: https://www.benefitsweb.com/retirementcenterweb.html
Legacy Organon Biosciences Retirement Savings Plan (RSP)¹	The RSP is a qualified plan designed to help you achieve long-term financial security. The plan offers a fixed company contribution, a company-matching contribution and a variety of investment options.	800-835-5095	Fidelity NetBenefits®: http://netbenefits.fidelity.com
Savings Plan^{1,2}	Merck's Savings Plans are qualified retirement savings plans, otherwise known as 401(k) plans, that are designed to help you achieve long-term financial security. The plans offer company-matching contributions and a variety of investment options from which to choose.	800-66-MERCK (800-666-3725)	Fidelity NetBenefits®: http://netbenefits.fidelity.com

OTHER BENEFITS-RELATED PROGRAMS AND SERVICES

What's Available	What It Offers	By Phone	Online
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, option 4. Representatives are available 9:00 a.m. to 8:00 p.m. EST, Monday through Friday, except holidays.	<i>EY Financial Planning Center:</i> http://merck.eyfpc.com/ <ul style="list-style-type: none"> • Company code: Merck • Company program: MRK
Paid Time Off	Paid holidays and vacation time.	N/A	Visit About Me on Sync, the Merck intranet, or See U.S. Manager's policy B6 at: http://hr.merck.com/polproc/us/b6.html See U.S. Manager's policy B4 at: http://hr.merck.com/polproc/us/b4_2007.html
Paid and Unpaid Leaves of Absence	Paid and unpaid time off for the following leaves: <ul style="list-style-type: none"> • Childcare • Parental • Bereavement • Military • Jury Duty • Personal Leave of Absence 	N/A	Visit About Me on Sync, or U.S. Manager's Policy B1 Absence from Work: http://hr.merck.com/polproc/us/b1.html
Adoption Assistance Program	Reimburses a portion of the expenses related to domestic and foreign adoptions.	N/A	Visit About Me on Sync, or http://one.merck.com/sites/sa/en-us/Pages/USAdoptionAssistance.aspx
Education Assistance Program	Provides employees with financial support for higher education.	Legacy Merck—HR Support Center: 866-675-4748 Legacy Schering-Plough and OBS—EdLink: 866-418-2235	Visit About Me on Sync, or Legacy Merck: http://onemerck.com/sites/sa/en-us/Pages/StS-EducationalAssistance.aspx Legacy Schering-Plough and OBS: https://secure.tamsonline.org/TAMS3Web/Schering-Plough
Employee Giving and Matching Gift Programs	Financial support for selected nonprofit, charitable and educational community-based programs and services.	866-205-2857	www.merckp4g.com

¹ Please note that the plan provisions of the U.S. pension and savings plans for legacy Merck, legacy Schering-Plough and legacy OBS are not being harmonized for 2012. Each employee will continue to participate in the current pension and savings plans offered under his or her legacy company.

² As a reminder, the administration of the Legacy Schering-Plough Savings Plan was transferred to Fidelity Investments effective Oct. 1, 2011.

WORK LIFE PRODUCTIVITY SOLUTIONS

What's Available	What It Offers	By Phone	Online
WorkLife Resource and Referral Program: Achieve Solutions	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.	Value Options: 877-44-MERCK	https://www.achievesolutions.net/merck
Flexible Work Schedules and Arrangements	Merck provides a global Flexible Work Arrangement Policy, training and guidance to ensure that flexibility across the organization is consistently implemented.	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. EST, Monday through Friday.	Flexible Work Arrangements at Merck: Visit About Me on Sync or http://onemerck.com/sites/sa/en-us/pages/flexibleworkarrangements.aspx
Merck-Sponsored Day-Care Centers	Convenient, subsidized, 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. Sibling discounts and meals are included in the competitive tuition rates.	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 Rd. 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://rymmd.merck.com/adminsvc/ecyc/newparents.html
		A Children's Place @ Merck 2980 Jackson Avenue Memphis, TN 38151 901-320-2958	www.brighthorizons.com/merck

WORK LIFE PRODUCTIVITY 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/home2.htm
	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. \$20 copay, 15 uses per dependent per year.</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, daily needs as well as LifeMart Discount Center. 	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>
Elder Care Program	Free, online, educational courses including <i>Making Sense of Memory Loss</i> . <i>Empower Online</i> support program designed to provide caregivers with the tools to take care of themselves and navigate their role as a caregiver.	N/A	<p>To learn more about <i>Making Sense of Memory Loss</i>: www.matherlifeways.com/re_msml.asp</p> <p>To learn more about <i>Empower Online</i>: www.matherlifeways.com/re_empoweronline.asp</p>

WORK LIFE PRODUCTIVITY SOLUTIONS

What's Available	What It Offers	By Phone	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	<p>https://ecw.wfd.com</p> <p>User ID: merckecw4 (lower case only) Password: mercknew4 (lower case only)</p> <p>Follow the prompts to create your own personal ID, password and profile (if desired).</p>
College Coach Programs	Workshops, expert counseling and web-based assistance to help employees and their families reach their academic goals.	866-468-1020	<p>Virtual Learning Center: https://vlc.getintocollege.com</p> <p>Company passcode: merckcollegecoach (lower case only)</p> <p>Access the College Coach "Education Help Desk" for assistance on an as-needed basis for additional education-related questions.</p> <p>Email: merck@getintocollege.com</p>
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	<p>E-mail College Coach at merck@getintocollege.com to determine eligibility and information about the program.</p>

Additional Information

BENEFITS CONTACTS

If You Need Information or Help With...	Contact/Benefits Provider	By Phone	Online
Enrolling for Your 2012 Health and Insurance Benefits, or General Questions About Merck's Health and Insurance Benefits	Merck Benefits Service Center	800-66-MERCK (800-666-3725) ¹ Customer Service Associates are available 8:30 a.m. to 8:30 p.m. EST, Monday through Friday (excluding New York Stock Exchange holidays).	http://netbenefits.fidelity.com
Merck PPO—Horizon BCBS Merck 80/20—Horizon BCBS	Horizon BCBS	877-663-7258 Representatives are available 8:00 a.m. to 8:00 p.m. EST, Monday through Friday.	www.horizonblue.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. EST, Monday through Friday.	www.aetna.com
Kaiser Permanente HMO (closed to new participants)	Kaiser	800-464-4000	www.kaiserpermanente.org
Health Plan Hawaii Plus HMO (Hawaii residents only)	Health Plan Hawaii Plus	808-948-6372	www.hmsa.com/
Health Care FSA Dependent Care FSA	Horizon BCBS	877-663-7258 Representatives are available 8:00 a.m. to 8:00 p.m. EST, Monday through Friday.	www.horizonblue.com/merckfsa
Merck Managed Prescription Drug Program	Medco	800-Rx-MERCK (800-796-3725)	www.medco.com
Merck Dental Plan	MetLife	888-262-4870	www.metlife.com/mybenefits
EAP for All Employees Behavioral Health for the Merck PPO—Horizon BCBS or Merck 80/20—Horizon BCBS Options	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. EST, Monday through Friday.	www.aetna.com

If You Need Information or Help With...	Contact/Benefits Provider	By Phone	Online
Life Insurance <ul style="list-style-type: none"> • Updating or designating your beneficiary • General questions • Enrollment 	Merck Benefits Service Center	800-66-MERCK (800-666-3725) ¹ Customer Service Associates are available 8:30 a.m. to 8:30 p.m. EST, Monday through Friday (excluding New York Stock Exchange holidays).	http://netbenefits.fidelity.com
Life Insurance <ul style="list-style-type: none"> • EOI questions • Filing a claim 	Prudential	877-370-4PRU (877-370-4778)	www.prudential.com/index
Short-Term Disability (STD) and Long-Term Disability (LTD)	CIGNA	800-238-2125	N/A
Vision Plan	VSP	800-877-7195	www.vsp.com
Long-Term Care	CNA	866-434-5824 Representatives are available 8:00 a.m. to 6:00 p.m. EST, Monday through Friday.	www.ltcbenefits.com
Group Legal Plan	Hyatt Legal	800-821-6400 Representatives are available 8:00 a.m. to 7:00 p.m. EST, 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)	www.metlife.com/individual/employee-benefits/group-auto-and-home

¹ For overseas calls, dial your country's toll-free AT&T USADirect® access number, then enter 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 	Merck Benefits Service Center	800-66-MERCK http://netbenefits.fidelity.com (under "Your Profile")
Savings Plans²	Merck Benefits Service Center	800-66-MERCK http://netbenefits.fidelity.com
Retirement Plans	N/A	Generally, beneficiary designations are not made until you elect to commence your benefit.
Merck Deferral Program	Merck Benefits Service Center	800-66-MERCK [Paper forms only]
Legacy Schering-Plough Savings Advantage Plan (SAP)²	Merck Benefits Service Center	800-66-MERCK http://netbenefits.fidelity.com
Legacy Schering-Plough Stock Incentive Plans	Executive Plans Administrator	stock.grants.connect@spcorp.com

² As a reminder, the administration of the Schering-Plough Employees' Savings Plan transitioned from Vanguard to Fidelity, effective Oct. 1, 2011.

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
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
Live better with an ongoing condition	Chronic Condition Management	ActiveHealth Disease Management Program	800-967-3956	www.myactivehealth.com/merck
Speak with a nurse (or other professional, depending on the coverage option in which you are enrolled) about an immediate medical need	24/7 NurseLine/ Online Care	Aetna ¹	800-556-1555	www.aetna.com
		Horizon Blue Cross Blue Shield ¹	888-624-3096	www.horizonblue.com/nurseline
		Health Plan Hawaii Plus HMO ¹ (Hawaii residents only)	866-931-HMSA (4672)	http://consumersonline.hmsa.com/
		Kaiser Permanente HMO ¹ (closed to new participants)	888-KPONCALL (800-576-6225)	www.kaiserpermanente.org
Make an important medical decision, confirm or establish a diagnosis and/or understand the best treatment options	Best Doctors®	Best Doctors®	866-904-0910	www.bestdoctors.com
Find an experienced doctor or high-performing facility	WebMD Resources	WebMD Hospital Advisor	N/A	www.liveitmerck.com (select "Hospital Advisor")
	Best Doctors®	FindBestDoc (provided through Best Doctors®)	866-904-0910	www.bestdoctors.com
	Centers of Excellence	Aetna Medical Plan: Institutes of Quality/ Excellence ¹	877-212-8811	www.aetna.com/healthcare-professionals/quality-measurement/institutes.html
		Horizon Medical Plan: Blue Distinction Facilities ¹	N/A	www.bcbs.com/innovations/bluedistinction/center-list-selector-map.html

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.horizonblue.com/merck/preciousadditions
		Kaiser Healthy Beginnings ¹	N/A	www.kp.org/pregnancy
		HMSA He Hapai Pono—The Good Pregnancy ¹	888-400-2776	www.hmsa.com/healthwellness/womenshealth/hehapaipono
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
Get answers to your questions about your <i>LIVE IT</i> incentive Review your Merck benefits and review the summary plan descriptions for each plan	Merck Benefits Service Center	Fidelity	800-66-MERCK (800-666-3725)	http://netbenefits.fidelity.com

¹ You must be enrolled in the applicable Merck medical plan option to utilize these services.

OTHER IMPORTANT INFORMATION

The health and insurance benefits described in this communication, 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) of Merck & Co., Inc., and its wholly owned subsidiaries (excluding Telerx Marketing, Inc. and Comsort Inc.)
- U.S.-based employees of Merck & Co., Inc. and its wholly owned subsidiaries who are covered by collective bargaining agreements other than those who are members of the United Steelworkers Union Local 10-00086

Merck (and its subsidiaries) 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.

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.-based employees of Merck & Co., Inc. and its wholly owned subsidiaries who are not required to pay a contribution for medical coverage under a plan sponsored by Merck & Co., Inc. or its wholly owned subsidiaries.

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

U.S.-based employees of Merck & Co., Inc. and its wholly owned subsidiaries who are on assignment outside the United States and employees of Inspire Pharmaceuticals, Inc. 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. Also note that 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 or the Merck 80/20 options. In addition, employees who are subject to collective bargaining agreements and employees of Telerx Marketing, Inc., Comsort Inc. and Inspire Pharmaceuticals, Inc. may not be eligible for each of the plans and programs listed under "Other Benefits-Related Programs and Services" or "Work Life Productivity Solutions".

This document is not an official plan document or a summary plan description. 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.

Discover

the Benefits of Merck