Welcome to the 2011 Retiree Choice Annual Enrollment

OCTOBER 22, 2010—NOVEMBER 12, 2010

Each year during the Annual Enrollment period, you have the opportunity to review your Merck Retiree Choice options for the upcoming year.

As a result of the harmonization of active health and insurance benefits plans following the merger of Merck and Schering-Plough, you will experience some changes to your retiree medical, dental and life insurance benefits.

What You Need to Do

• Review your Personal Fact Sheet for your 2011 medical plan coverage and cost information.
• Review the new prescription drug changes.
• Review your retiree life insurance and your beneficiary designation, if applicable.

This newsletter provides more details about these changes as well as important enrollment reminders.

If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a federal law gives you more choices about your prescription drug coverage. Please see the enclosed Medicare Part D Notice of Creditable Coverage for more information.
What’s New
The chart below highlights what’s new to the benefits program for legacy Merck retirees.

### 2011 HEALTH AND INSURANCE BENEFITS PROGRAMS

#### Medical Plan (Including Prescription Drug)
- New medical plan option and administrator
  - New national PPO with Aetna
- Elimination of HMOs, including Medicare Advantage HMOs
- Additional preventive services covered at 100%
- New lifetime maximum limits for infertility benefits
- Prescription drug copays increase
- Introduction of $0 copay for tobacco cessation prescription and OTC products
- Changes in coverage for certain specialty medications under the medical plan
- Medicare Part B reimbursement continues for one-year transition period only

#### Dental Plan
- New administrator—MetLife
- Orthodontia lifetime benefit maximum increased to $2,000
- Per individual annual deductible increased to $50 ($150 maximum per family)

#### Life Insurance
- Dependent child life insurance coverage increased from $5,000 to $10,000
- *Survivor Income Protection* life insurance coverage no longer available
- Optional life insurance coverage portable for certain retirees

#### Other
- Dependents under age 26 eligible for coverage

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1 U.S. health care reform now requires employers like Merck to extend medical coverage to children up to age 26, regardless of their student status, marital status, eligibility for coverage elsewhere and whether or not they live with you or are your dependent for tax purposes. Merck is extending this coverage to the Merck dental plan and dependent life insurance coverage, as well, effective January 1, 2011. See “Covering Adult Children” for details on how to enroll your dependent children.
DO YOU HAVE QUESTIONS ABOUT YOUR 2011 BENEFITS?

Beginning October 22, you can:

• go online to http://netbenefits.fidelity.com; or

• call the Merck Benefits Service Center at Fidelity at 800-666-3725. Representatives are available Monday through Friday between 8:30 AM and 8:30 PM, Eastern time. (You’ll need your Fidelity Customer ID/Social Security Number and PIN—see page 6).

You can also review the summary plan description for the applicable benefit plan. The summary plan description for each benefit plan includes detailed information about the benefits provided by, and the administration of, each benefit plan. Summary plan descriptions are available through Fidelity NetBenefits online at http://netbenefits.fidelity.com or by calling the Merck Benefits Service Center at Fidelity at 800-666-3725.

You may also contact our benefits partners directly. Contact information can be found on page 19 of this newsletter.
YOUR 2011 RETIREE BENEFITS CHECKLIST

Follow these steps to ensure you have the coverage you want for 2011.

☐ READ this newsletter for an overview of what’s new or different for 2011.

☐ REVIEW the enclosed Personal Fact Sheet:

1. For your 2011 default medical plan coverage options and cost information.
2. To confirm that the dependent(s) listed are the dependents you want to cover and they satisfy the plan’s dependent eligibility requirements. Remember, starting January 1, 2011, dependent eligibility for adult children is extended up to age 26. (See “Covering Adult Children”.)
3. For the amount of your life insurance and associated premium, if any.

☐ TAKE ACTION

4. **If you would like to make changes** to your coverage or the dependents you will cover in 2011, you can either:

   - **MAKE CHANGES ONLINE through Fidelity NetBenefits®** by the November 12, 2010 deadline; or
   - **CALL the Merck Benefits Service Center at Fidelity** to enroll by phone by the November 12, 2010 deadline, or, if you are adding adult dependents, by November 23, 2010. Keep in mind that you can call the Merck Benefits Service Center to make any allowable changes throughout the year.

5. **If you are satisfied with your coverage as reflected on your Personal Fact Sheet, you do not need to do anything. You will be enrolled automatically in that coverage beginning January 1, 2011.**
Dependent Eligibility

Covering Adult Children
Effective January 1, 2011, you can enroll your children under age 26 (including a child who previously lost coverage or was ineligible for coverage) as dependents under your retiree medical and dental benefits. You have a 30-day period starting on October 22 to enroll your child for coverage.

To enroll your child, you must contact the Merck Benefits Service Center at Fidelity at 800-666-3725 between October 22 and November 23. Customer Service Associates are available Monday through Friday (excluding New York Stock Exchange holidays) between 8:30 AM and 8:30 PM, Eastern time. You will not be able to elect coverage for your dependents online through NetBenefits.

Enrolling or Making Changes to Your Coverage
With Fidelity, there are two ways to enroll or make changes for your benefits—online through NetBenefits or by calling the Merck Benefits Service Center at Fidelity. Detailed information about accessing NetBenefits and contacting the Merck Benefits Service Center at Fidelity is included on the following page.

Review Your Personal Information
Please take the time to review all of your personal information listed on your Personal Fact Sheet or in NetBenefits (note: the information contained in NetBenefits will be the same as what is listed on your Personal Fact Sheet). Please check the following information for you—and all of your listed dependents:

• Name;
• Date of birth;
• SSN; and
• Home address.

If any of your information is incorrect—or missing—please correct the information by calling the Merck Benefits Service Center at Fidelity.

Please note that if your date of birth is incorrect, you will need to notify Merck directly by calling the Merck HR Service Center at 866-MRK-HR4U (866-675-4748).

If you want to make changes to your benefits coverage shown on your Personal Fact Sheet, follow the instructions for making changes online or by phone.
How to Enroll or Make Benefits Changes Online

STEP 1: Log on to Fidelity NetBenefits® at http://netbenefits.fidelity.com
- You will need to register for the first time or log on to Fidelity NetBenefits using your existing login information.

If you have previously used NetBenefits, Fidelity.com or have established a PIN, log in to NetBenefits with the same Social Security number/Customer ID and PIN information.

If you have forgotten your PIN, you will need to reset it using “Forget or need to reset your PIN” on the login page. When you change your PIN (or Customer ID), the change will apply to all your Fidelity accounts and services going forward.

STEP 2: From the NetBenefits “Health & Insurance” tab
- Select “Get Started”.
- Click “Continue”.

STEP 3: Confirm and validate information about your dependents
- Review your dependent information on file.
- If all of your dependent information is complete and accurate, click “Continue”.
- If any of your dependents are listed incorrectly or their information is incomplete, click on “Update” next to the dependents’ names to change their personal information.
- If you need to elect coverage for any eligible dependents due to the extension of eligibility to age 26, contact the Merck Benefits Center at Fidelity at 800-66-MERCK (800-666-3725). You will not be able to enroll a dependent online.
- If you need to drop a dependent, contact the Merck Benefits Service Center at Fidelity at 800-66-MERCK (800-666-3725) or drop the dependent online at Fidelity NetBenefits.

STEP 4: From your online Benefit Elections page
- View your medical, dental and life insurance benefits options for the coming year.
- Review the online enrollment tools.

STEP 5: Print your confirmation
- A confirmation screen will display the elections you have just submitted, with a confirmation number.
- Print the page for your records or make a note of this confirmation number.

How to Enroll or Make Benefits Changes By Phone

Contact the Merck Benefits Service Center at Fidelity by phone at 800-66-MERCK (800-666-3725). Customer Service Associates are available Monday through Friday (excluding New York Stock Exchange holidays) between 8:30 AM and 8:30 PM, Eastern time.

When you call the Merck Benefits Service Center at Fidelity, you will be asked to enter your Social Security number and date of birth, for verification purposes.
If You Do Not Enroll or Make Changes

If you do not make a medical plan coverage option election during this year’s Annual Enrollment period, your medical coverage option will automatically map to the 2011 default coverage listed below—at your current coverage tier.

### LEGACY MERCK 2011 MEDICAL PLAN DEFAULT COVERAGES

<table>
<thead>
<tr>
<th>If you are enrolled in this legacy Merck Medical Plan Option for 2010...</th>
<th>Your coverage will be mapped to this option for you and your covered, eligible dependents...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merck PPO and Any Non-Aetna Non-Medicare Advantage HMO</td>
<td>Merck PPO—Horizon BCBS</td>
</tr>
<tr>
<td>Any Aetna Non-Medicare Advantage HMO</td>
<td>Merck PPO—Aetna Choice POS II</td>
</tr>
<tr>
<td>Any Aetna Medicare Advantage HMO1,2</td>
<td>Merck PPO Hybrid—Aetna Choice POS II3</td>
</tr>
<tr>
<td>Any Non-Aetna Medicare Advantage HMO1,2</td>
<td>Merck PPO Hybrid—Horizon BCBS3</td>
</tr>
<tr>
<td>Merck 80/20</td>
<td>Merck 80/20—Horizon BCBS</td>
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<tr>
<td>Merck 80/20 Out-of-Area</td>
<td>Merck 80/20—Horizon BCBS</td>
</tr>
<tr>
<td>Retiree Catastrophic Option</td>
<td>Retiree Catastrophic Option</td>
</tr>
<tr>
<td>No coverage</td>
<td>No coverage</td>
</tr>
</tbody>
</table>

1 If you and/or a covered dependent are currently enrolled in a Medicare Advantage HMO, you and/or your dependents must formally dis-enroll from the Medicare Advantage HMO with an effective date of January 1, 2011. Your Medicare Advantage plan will contact you in November or December with additional instructions on dis-enrollment.

2 If your covered dependent is enrolled in this option as of December 31, 2010, but you are enrolled in a non-Medicare Advantage HMO, you and your covered dependents will be mapped to the Merck PPO Hybrid option for 2011.

3 The Merck PPO Hybrid option is available only to participants currently enrolled in a Medicare Advantage HMO.

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**IF YOU HAVE A LIFE EVENT BEFORE DECEMBER 31, 2010**

If you experience a qualifying life event (i.e., 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 at Fidelity at 800-666-3725 or go online at [http://netbenefits.fidelity.com](http://netbenefits.fidelity.com). Make sure that your benefits for 2011 correctly reflect any changes made to your benefits due to your life event.
Retiree Choice Medical Plan

Overview

Through the Retiree Choice Program, the following coverage options are available to legacy Merck retirees under the Merck Medical Plan for 2011:

- Merck PPO—Horizon BCBS;
- Merck PPO—Aetna Choice POS II;
- Merck 80/20—Horizon BCBS;
- Merck PPO Hybrid—Aetna Choice POS II1;
- Merck PPO Hybrid—Horizon BCBS1;
- The Retiree Catastrophic Option; or
- The No Coverage Option.

1 The Merck PPO Hybrid options are available only to participants currently enrolled in a Medicare Advantage HMO.

Each medical plan option generally offers the same basic plan components (including prescription drug benefits). However, the way benefits are delivered, the costs for coverage and services and the provider networks vary by medical option.
## MEDICAL OPTIONS

<table>
<thead>
<tr>
<th>Medical Plan Option</th>
<th>Description</th>
</tr>
</thead>
</table>
| **Merck PPO—Horizon BCBS** | • **Covered services**—Both PPOs generally offer the same set of covered services.  
• **Access to providers**—Allow you access to your choice of doctors, specialists, hospitals and other health care providers.  
• **Services and supplies**—Charges deemed medically necessary may differ between Aetna and Horizon BCBS.  
• **No primary care physician (PCP) or referrals necessary**—You don’t need to select a PCP and you don’t need a referral to see a specialist.  
• **Copays**—$15 for an in-network PCP office visit and $25 for a visit to an in-network specialist.  
• **In-network surgery and hospitalization**—Benefits will be paid at 90% after you meet the deductible.  
• **Out-of-pocket maximum**—Once you reach the maximum, the plan pays 100% of eligible charges.  
• **Out-of-network coinsurance**—Benefits will be paid at 70% for all covered expenses after you meet the deductible, subject to reasonable and customary (R&C) limits. Participants who are Medicare eligible will not be subject to out-of-network provisions. The plan will coordinate with Medicare and will pay secondary to Medicare. For participants who are not Medicare eligible, the PPOs have an in-network and out-of-network component subject to the provider’s network. |
| **Merck 80/20—Horizon BCBS** | • **No primary care physician (PCP) or referrals necessary**—You don’t need to select a PCP, and you don’t need to obtain referrals to see a specialist.  
• **Coinsurance**—Benefits for most covered expenses will be paid at 80%, after you meet the deductible. If you use an in-network provider, your coinsurance will be calculated using lower, negotiated fees.  
• **Deductible and out-of-pocket maximum**—Once you reach your out-of-pocket maximum, the plan pays 100% of eligible charges. The deductible and out-of-pocket maximum are higher than those under the regular PPO options.  
• **R&C Limits**—Apply to out-of-network charges. |
| **Merck PPO Hybrid—Aetna Choice POS II** | Generally offer the same features as the regular PPO options, but for Medicare eligible participants, the deductibles and out-of-pocket maximums that apply are significantly lower than those under the regular PPO options. Participants who are Medicare eligible will not be subject to out-of-network provisions. The plan will coordinate with Medicare and will pay secondary to Medicare. For participants who are not Medicare eligible, the Hybrid PPOs have an in-network and out-of-network component subject to the provider’s network. |
| **Merck PPO Hybrid—Horizon BCBS** | Generally offer the same features as the regular PPO options, but for Medicare eligible participants, the deductibles and out-of-pocket maximums that apply are significantly lower than those under the regular PPO options. Participants who are Medicare eligible will not be subject to out-of-network provisions. The plan will coordinate with Medicare and will pay secondary to Medicare. For participants who are not Medicare eligible, the Hybrid PPOs have an in-network and out-of-network component subject to the provider’s network. |
| **Retiree Catastrophic** | Generally the same features as the Merck 80/20 option, but with significantly higher deductibles and out-of-pocket maximums. |
| **No Coverage** | Offers no coverage for medical services and prescription drugs. |

Please refer to the Merck Medical Plan SPD (also known as the SPD or Merck Benefits Book) for plan details including deductibles and out-of-pocket maximums for each of the medical options.
KEY DIFFERENCES

- **Preventive services:** If you are enrolled in a medical option, many routine preventive services (including those preventive services required to be covered under U.S. health care reform and applicable guidance) will be covered at 100%. However, if you are enrolled in one of the PPO options, you must use in-network providers to receive coverage for these preventive services at 100%. Certain age, frequency and other restrictions may apply. For a list of covered preventive services, contact your health care plan directly.

- **New limits for infertility benefits:** Effective January 1, 2011, infertility benefits will be limited to a $25,000 medical lifetime maximum; $10,000 prescription lifetime maximum (excludes Merck brand infertility drugs).
  - If you have reached the lifetime limit on your infertility benefits under a legacy Merck sponsored non-HMO medical plan option by December 31, 2010, you will not be eligible for future infertility benefits under any Merck sponsored medical plan option as of January 1, 2011. You will be able to use the Managed Prescription Drug Program up to the prescription drug lifetime maximum of $10,000 for non-Merck brand infertility drugs.
  - If you have not reached the infertility benefits lifetime limit as of December 31, 2010 under a legacy Merck sponsored non-HMO medical plan option, you will be eligible for future infertility benefits up to the new lifetime maximums. Any infertility benefits that you have received before December 31, 2010 will not count toward the new lifetime maximums.

**HMOs Eliminated (Including Medicare Advantage HMOs)**

Effective January 1, 2011, HMOs will no longer be offered through the Retiree Choice Program. For participants currently enrolled in a Medicare Advantage HMO, your 2011 coverage will default to a new Merck PPO Hybrid coverage option. This option is available only to participants currently enrolled in a Medicare Advantage HMO—and cannot be elected by any other retirees.

If you or a covered dependent are enrolled in an HMO other than a Medicare Advantage HMO, your coverage will default to either the Aetna PPO or the Horizon PPO option. The 2011 default coverage can be found on the enclosed Personal Fact Sheet or online at Fidelity NetBenefits (http://netbenefits.fidelity.com).

**Dis-enrolling from a Medicare Advantage HMO**

Merck’s Medicare Advantage group plans will terminate as of December 31, 2010.

Some plans will automatically dis-enroll you from Medicare Advantage and place you in original Medicare. For other plans, you may need to complete a dis-enrollment form. If you must complete a dis-enrollment form with your Medicare Advantage HMO, please do so with an effective date of January 1, 2011. If you fail to dis-enroll, your claims will not coordinate with Medicare correctly, which may result in a significant gap in your coverage.

Your Medicare Advantage plan will contact you in November or December with instructions on dis-enrollment.
Transition of Care

If you are currently enrolled for retiree medical coverage under a legacy Merck coverage option that is being eliminated and are in the middle of a course of treatment with an in-network provider, you may be eligible for Transition-of-Care benefits if you elect one of the PPO options.

Transition-of-Care benefits may permit you to continue to receive short-term care from your current in-network providers at the in-network benefit level, even if those providers are not in the network for the option you elected for 2011.

What Conditions Are Eligible for Transition-of-Care Benefits?

Some examples of medical conditions that may meet Transition-of-Care guidelines include:

• Those in the middle of an inpatient hospital stay on January 1, 2011;

• Surgeries approved during December 2010 that will occur or have follow-up treatment after January 1, 2011;

• Pregnant women who have had their first pre-natal care doctor’s office visit prior to January 1, 2011;

• Cancer patients currently undergoing approved chemotherapy or radiotherapy treatment; and

• Those diagnosed with terminal illness.

What Do I Need to Do?

In December, Transition-of-Care applications will be mailed home with member ID cards and welcome materials. You don’t need to do anything until December regarding Transition-of-Care benefits.

Medicare Part B Reimbursement

If you or your covered dependent is disabled and under age 65 and is eligible for Medicare, you may have been receiving reimbursement from Merck for the premium you pay to Medicare for Medicare Part B. If you are receiving that reimbursement from Merck as of December 31, 2010, that reimbursement will continue until December 31, 2011, or the date the Medicare-eligible individual turns 65, whichever comes first. Effective January 1, 2012, Merck will no longer reimburse anyone for Medicare Part B premiums.
Prescription Drug Benefits Overview

Medco will continue to be the administrator for prescription drug coverage under all Merck medical options. Prescription drug coverage is the same under all medical options.

Effective January 1, 2011, the copay for non-Merck brand drugs purchased:

- At participating retail pharmacies will increase from $20 to $25 for up to a 30-day supply.
- Through mail order through the Medco Pharmacy will increase from $40 to $50 for up to a 90-day supply.

Visit [www.medco.com](http://www.medco.com) to compare costs, order refills, check the status of your orders, and request additional order forms and envelopes. 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.)

### PRESCRIPTION DRUG COPAYMENTS

<table>
<thead>
<tr>
<th>Drug</th>
<th>Medco Pharmacy Copay (Mail Order) up to a 90-Day Supply</th>
<th>Participating Retail Pharmacy Copay&lt;sup&gt;1,2&lt;/sup&gt; up to a 30-Day Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merck brand drugs</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Generic drugs</td>
<td>$20</td>
<td>$10</td>
</tr>
<tr>
<td>Non-Merck brand drugs</td>
<td>$50</td>
<td>$25</td>
</tr>
<tr>
<td>(When generic equivalent is NOT available)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Merck brand drugs</td>
<td>$20 copay plus the difference between the retail price and its generic equivalent, up to $100 cap per prescription</td>
<td>$10 copay plus the difference between the retail price and its generic equivalent, up to $50 cap per prescription</td>
</tr>
<tr>
<td>(When generic equivalent is available)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Certain prescription medications (including non-Merck brand oral contraceptives and male erectile dysfunction medications (MEDs)) are covered only by mail order through the Medco Pharmacy.

2. 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.

### KEY DIFFERENCES

- Merck brand oral contraceptives and MEDS prescriptions may be filled at a participating retail pharmacy for a $0 copay. Non-Merck brand oral contraceptives and MEDS are covered only by mail order through the Medco Pharmacy.
- You pay $0 copay for prescription drugs and OTC products associated with tobacco cessation (including the nicotine patch).
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 800-753-2851. You, your doctor or your pharmacist must call Medco to authorize any medications that require prior authorization.

Specialty Pharmaceutical Drugs

Effective January 1, 2011, certain specialty medications previously covered through your medical coverage will only be available through Medco’s Specialty Pharmacy, Accredo Health Group, Inc. The list of these medications is as follows:

- Growth hormones and related disorders (Genotropin, Humatrope, Increlex, Zortive, etc.);
- Hemophilia and related bleeding disorders (Advate, Alphanate, Benefix, Hemophil, Humate-P, etc.);
- Hepatitis C medications (Infergen, Intron A, Pegasys, etc.);
- Immune Deficiency medication—Actimmune;
- Multiple Sclerosis medications (Avonex, Betaseron, Copaxone, etc.);
- Oral Oncology Agents (Gleevec, Temodar, Xeloda, etc.);
- Pulmonary Disorders (Pulmozyme, Tobi, etc.); and
- Rheumatoid Arthritis Agents (Enbrel, Humira, etc.).

Those members who have recently received one of these medications through the medical plan will be notified by Accredo, in writing and via phone, during the month of December to facilitate the transition of the prescription to Accredo. You will be able to utilize the Managed Prescription Drug Program with Medco for these specialty medication drugs. For more information, please contact Accredo at 800-922-8279.
Retiree Choice Dental Plan

Overview
Dental coverage will be administered by MetLife as of January 1, 2011. Merck continues to offer dental coverage under the Comprehensive Dental option. This 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 http://www.metlife.com/mybenefits for a listing of PDP providers in your area.

No ID Cards Needed for Dental Coverage in 2011
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 coverage is provided by Merck.

KEY DIFFERENCES
- Orthodontia: The orthodontia lifetime benefit maximum will increase from $1,500 to $2,000 (plan pays 50%). If you started your course of treatment for orthodontia services before January 1, 2011 and are still in treatment on or after January 1, 2011, your lifetime benefit maximum will increase to $2,000. Any orthodontia benefits that you have received before December 31, 2010, will continue to count toward the new orthodontia lifetime benefit maximum.
- Annual Deductible: The per individual annual deductible will increase from $25 to $50 (up to a maximum of $150 per family). One person cannot meet the family deductible by himself or herself. This deductible will continue to apply for basic and major services.
- Pre-treatment Estimates: Pre-treatment estimates provided by Aetna prior to January 1, 2011, should be submitted to MetLife for consideration and will be processed under the new dental plan design. If you have any questions regarding your dental plan coverage, please contact MetLife at 888-262-4870.
Retiree Life Insurance Program

Overview
As a retiree, you may have a level of company-paid and/or retiree-paid life insurance coverage under the Merck Life Insurance Plan. These life insurance benefits will continue to be insured and administered by Prudential.

Dependent Child Life Insurance Option Changes
The $5,000 Dependent Child Life insurance option is being increased to $10,000. If you are enrolled in this option as of December 31, 2010 and you have a child under age 26, your 2011 coverage will be mapped to the $10,000 dependent child life insurance option.

Note that effective January 1, 2011, the definition of children under dependent child life coverage will include your children under age 26. If you are enrolled in this coverage, be sure that your dependent child information is up-to-date with Fidelity. Please note that if your dependent life coverage ended for any reason (including because your youngest child reached the plan’s limiting age in effect at that time) before January 1, 2011, you are not eligible for dependent life coverage.

Survivor Income Protection Plan No Longer Available
Effective with the 2011 Annual Enrollment period, the Survivor Income Protection insurance option will no longer be offered as an available option. Please note that if you are currently enrolled in Survivor Income Protection life insurance, your current coverage will remain in full force through the end of 2010, provided you are under age 65 and continue to pay the required premiums.

What happens to my current coverage?
Effective January 1, 2011, your existing Survivor Income coverage will be mapped to an amount of additional Optional Life Insurance equal to the actuarial equivalent dollar value of your current Survivor Income coverage as determined by Prudential. If that amount, when added to your current level of Optional Life Insurance, is less than 8 x your base pay (and less than $16 million), you will be mapped to the closest multiple of base pay (rounded up) between 1 x and 8 x base pay. If it is more than 8 x base pay (or more than $16 million), you will be mapped to a fixed dollar amount of coverage that will continue unless you elect to reduce the fixed coverage to a coverage level between 1 x and 8 x base pay (and less than $16 million).

Please note that if you are mapped to a fixed dollar amount of Optional Life Insurance in excess of the new plan maximums and you elect to decrease that coverage, you will not be permitted to increase your Optional Life Insurance at any time in the future.

Why the change?
Survivor Income Protection insurance was developed to provide beneficiaries with a regular monthly income. Today, virtually all life insurance options allow beneficiaries to elect to receive their life insurance payments in installments, eliminating the need for options like Survivor Income Protection. Further, as a result of our review and benchmarking of our benefits offerings, we learned that most employers no longer offer a survivor income option.
How will my existing Survivor Income Protection coverage be mapped to a dollar value?

A value will be calculated for your Survivor Income Protection coverage level by Prudential, based on factors including your age and annual base salary as of September 15, 2010. This value will be translated into a dollar amount and mapped to the closest multiple of base pay level (rounded up) of Optional Life insurance. So that we could be prepared for Annual Enrollment, we used current data—changes may occur after January 1 when actual year-end data is known.

What if I assigned my Optional Life and/or Survivor Income Protection Insurance?

It is your responsibility to determine the effectiveness of your life insurance assignments. In light of the changes to Merck’s life insurance program, you should review your assignment documents with your estate planner to be sure that they continue to meet your estate planning needs. Contact the Merck HR Service Center at 866-MRK-HR4U (866-675-4748) for more information.

Note to existing surviving spouses: If you are currently receiving Survivor Income Protection benefits through Prudential, there is no change to your existing benefit.

Optional Life Insurance Coverage Portable for Certain Retirees

Currently, Merck retirees may continue their existing Optional Life Insurance and Dependent Life Insurance coverage (and prior to January 1, 2011, Survivor Income Protection coverage) into retirement—until age 65 by paying the applicable premiums. At age 65, that coverage under the Merck Life Insurance Plan terminates and retirees may be eligible to convert that coverage to an individual policy with Prudential.

Effective January 1, 2011, retirees may have another option to continue coverage beyond age 65 by electing to “port” their coverage to an individual policy with Prudential. To find out more information—including the differences between converting and porting coverage, cost and other requirements—please contact Prudential directly at 877-370-4PRU (877-370-4778).
Paying for Your Benefits

The 2011 contribution amounts can be found on the enclosed Personal Fact Sheet or online at Fidelity NetBenefits (http://netbenefits.fidelity.com).

Billing invoices are sent to you on a monthly basis with payments due on the first day of each month to continue coverage for that month. This invoice includes your costs for all benefits in which you’re enrolled, including Retiree Choice medical and/or dental retiree contributions (as well as any life insurance for which you pay premiums). You continue to have the option to pre-pay for your coverage—this will show as a credit on your monthly invoices.

If you fail to pay your required contributions for coverage within the time and manner specified by Merck, your coverage under the plan(s) for which the contribution was not paid will terminate effective as of the contribution due date. If you fail to pay any life insurance premiums, you will remain permanently ineligible for that coverage. If you fail to pay your medical and/or dental contributions, you will default to the No Coverage option. Please note that your ability to re-enroll for medical and/or dental coverage is limited to the following year’s Annual Enrollment period, unless you experience a loss of non-Merck coverage. Please refer to the Medical Plan section of the Merck Benefits Book applicable to legacy Merck retirees for more details.

ARE YOU STILL WRITING A CHECK TO PAY YOUR BENEFITS CONTRIBUTIONS?

Automatic Bank Withdrawal deducts contributions right from your bank account, eliminates the burden of manually mailing a check and ensures payments are on time! And best of all, it’s easy to enroll online through Fidelity NetBenefits—or by calling the Merck Benefits Service Center at Fidelity:

- **Enroll through NetBenefits:** To sign up for Automatic Bank Withdrawal, log on to http://netbenefits.fidelity.com. From there, click on the “Health & Insurance” tab, select “Forms” under “Other Benefits” and then “Change Payment Method” on the left-hand navigation bar.

- **Enroll through the Merck Benefits Service Center at Fidelity:** Call 800-66-MERCK (800-666-3725), Monday through Friday (excluding New York Stock Exchange holidays), between 8:30 AM and 8:30 PM, Eastern time, to speak with a Customer Service Associate. You’ll receive information from Fidelity about the Automatic Bank Withdrawal service—and complete the process with a Fidelity Customer Service Associate.

REMINDER: VIEW YOUR PAYMENTS ONLINE

You can go online to view your payment status, print an invoice, change your payment method and view other payment information. Follow these steps to view your payment statement:

- Log on to http://netbenefits.fidelity.com;
- Select the “Health & Insurance” tab; and
- Under “More Benefit Resources,” click on the “Payment for Benefits” hyperlink.
Stay Connected through MerckConnections.com

Through MerckConnections.com, you can stay in touch with the company—and with each other. You’ll be able to look up old friends through the retiree directory and stay on top of the company’s daily news and activities. You can also get the company’s viewpoint on events and issues directly from the source.

Full access to MerckConnections.com, including the Retiree Community section of the site, is available to all Merck retirees. Spouses, surviving spouses and caregivers of retirees are invited to access all other areas of the site.

Logging On
Access the website at MerckConnections.com. Then, follow the online instructions for registration. Please note that all first-time users must register before logging on.

Registration
To ensure privacy, retirees who wish to access the Retiree Community section of the website must register using their Merck World Wide Identification Number (WIN). All Merck retirees have a company-assigned WIN. If you cannot remember your Merck WIN, contact the Merck HR Service Center at 866-MRK-HR4U (866-675-4748).
## Contact Information

<table>
<thead>
<tr>
<th>For More Information About…</th>
<th>Contact/Benefits Provider</th>
<th>Contact by Phone…</th>
<th>Contact via the Internet…</th>
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</thead>
<tbody>
<tr>
<td>The retiree benefits described in this newsletter</td>
<td>Merck Benefits Service Center at Fidelity</td>
<td>800-66-MERCK (800-666-3725)¹</td>
<td><a href="http://netbenefits.fidelity.com">http://netbenefits.fidelity.com</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Service Associates are available Monday through Friday (excluding New York Stock Exchange holidays) between 8:30 AM and 8:30 PM, Eastern time.</td>
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<tr>
<td>The Merck PPO—Aetna Choice II option or Merck PPO Hybrid—Aetna Choice POS II option</td>
<td>Aetna</td>
<td>800-541-6711</td>
<td><a href="http://www.aetna.com">www.aetna.com</a></td>
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<td></td>
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<td>Representatives are available from 8:00 AM to 6:00 PM, Eastern time.</td>
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<tr>
<td>The Merck PPO—Horizon BCBS option, Merck 80/20—Horizon BCBS option, Merck PPO Hybrid—Horizon BCBS option, or Retiree Catastrophic option</td>
<td>Horizon BCBS</td>
<td>877-663-7258</td>
<td><a href="http://www.horizonblue.com/merckretirees">www.horizonblue.com/merckretirees</a></td>
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<tr>
<td>Prescription Drug Program</td>
<td>Medco Specialty Pharmacy (Accredo)</td>
<td>800-Rx-MERCK (800-796-3725)</td>
<td><a href="http://www.medco.com">www.medco.com</a></td>
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<td>800-922-8279</td>
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<tr>
<td>Comprehensive Dental</td>
<td>MetLife</td>
<td>888-262-4870</td>
<td><a href="http://www.metlife.com/mybenefits">www.metlife.com/mybenefits</a></td>
</tr>
<tr>
<td>Paying for coverage</td>
<td>Merck Benefits Service Center at Fidelity</td>
<td>800-66-MERCK (800-666-3725)¹</td>
<td><a href="http://netbenefits.fidelity.com">http://netbenefits.fidelity.com</a></td>
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<td>Customer Service Associates are available Monday through Friday (excluding New York Stock Exchange holidays) between 8:30 AM and 8:30 PM, Eastern time.</td>
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</tr>
</tbody>
</table>

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.
Merck (and its subsidiaries) reserves the right to amend the medical, dental and life insurance benefits provided to retirees (and the plans and programs under which they are provided) in whole or in part or completely discontinue them at any time. The information contained herein has been provided by Merck & Co. and its subsidiaries and is solely their responsibility.