

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500.

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan... [X] a single-employer plan [] a DFE... B This return/report is: [] the first return/report [] the final return/report... C If the plan is a collectively-bargained plan, check here... [X] D Check box if filing under: [X] Form 5558 [] automatic extension... E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here... []

Part II Basic Plan Information—enter all requested information

1a Name of plan: RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD
1b Three-digit plan number (PN): 002
1c Effective date of plan: 07/01/1956
2a Plan sponsor's name (employer, if for a single-employer plan): MERCK & CO., INC.
2b Employer Identification Number (EIN): 22-1918501
2c Plan Sponsor's telephone number: 732-594-4000
2d Business code (see instructions): 325410

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes entries for Timothy G. Dillane on 10/06/2025.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2024) v. 240311

3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor MERCK SHARP & DOHME LLC 126 EAST LINCOLN AVENUE P.O. BOX 2000 RAHWAY, NJ 07065		3b Administrator's EIN 22-1261880	
		3c Administrator's telephone number 732-594-4000	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN	
		4d PN	
5 Total number of participants at the beginning of the plan year		5	6465
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d):			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	2880
a(2) Total number of active participants at the end of the plan year		6a(2)	2793
b Retired or separated participants receiving benefits.....		6b	911
c Other retired or separated participants entitled to future benefits		6c	2400
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	6104
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	238
f Total. Add lines 6d and 6e		6f	6342
g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)		6g(1)	
g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g(2)	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h	26
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1B 1D 3H 3F

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)	
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust	(4) <input type="checkbox"/> General assets of the sponsor
(3) <input checked="" type="checkbox"/> Trust	(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor	

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules		b General Schedules	
(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> H (Financial Information)	(2) <input type="checkbox"/> I (Financial Information – Small Plan)	(3) <input type="checkbox"/> A (Insurance Information) – Number Attached <u>0</u>
(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(4) <input checked="" type="checkbox"/> C (Service Provider Information)	(5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information)	(6) <input type="checkbox"/> G (Financial Transaction Schedules)
(3) <input checked="" type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary			
(4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached _____			
(5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)			

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

▶ **Round off amounts to nearest dollar.**
 ▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>MERCK & CO., INC.</u>	D Employer Identification Number (EIN) <u>22-1918501</u>	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

Part I Basic Information

1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2024</u>		
2	Assets:		
	a Market value	2a	<u>617564054</u>
	b Actuarial value	2b	<u>679320459</u>
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	<u>1113</u>	<u>121119976</u>
	b For terminated vested participants	<u>2484</u>	<u>84438350</u>
	c For active participants	<u>2880</u>	<u>350733483</u>
	d Total	<u>6477</u>	<u>556291809</u>
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	<u>5.17 %</u>
6	Target normal cost		
	a Present value of current plan year accruals	6a	<u>29176324</u>
	b Expected plan-related expenses	6b	<u>2000000</u>
	c Target normal cost	6c	<u>31176324</u>

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	
Signature of actuary	<u>09/15/2025</u> Date
<u>SUSAN J. FEIGHTNER</u> Type or print name of actuary	<u>23-08170</u> Most recent enrollment number
<u>BUCK GLOBAL, LLC</u> Firm name	<u>412-290-1956</u> Telephone number (including area code)
<u>444 LIBERTY AVENUE SUITE 805 PITTSBURGH, PA 15222</u> Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part V Assumptions Used to Determine Funding Target and Target Normal Cost			
21 Discount rate:			
a Segment rates:	1st segment: 4.75 %	2nd segment: 4.96 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)			21b 0
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

Part VI Miscellaneous Items			
24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
26 Demographic and benefit information			
a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....			27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years			
28 Unpaid minimum required contributions for all prior years			28 0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....			29 0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....			30 0

Part VIII Minimum Required Contribution For Current Year			
31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6c)			31a 31176324
b Excess assets, if applicable, but not greater than line 31a			31b 31176324
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment.....	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount			33
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....			34 0
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)			36 0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)			37 49691074
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)			38a 49691074
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances.....			38b 0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)			39 0
40 Unpaid minimum required contributions for all years			40 0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)			
41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input type="checkbox"/> 2021			

SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

A Name of plan RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 MERCK & CO., INC.	D Employer Identification Number (EIN) 22-1918501	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name: MARCY BLOODGOOD	b EIN: 13-3954297
c Position: ENROLLED ACTUARY	
d Address: 200 JEFFERSON PARK 2ND FLOOR WHIPPANY, NJ 07981	e Telephone: 201-927-3731

Explanation: **TERMINATION IS DUE TO REASSIGNMENT OF RESPONSIBILITIES WITHIN ACTUARIAL FIRM**

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD</u>	B Three-digit plan number (PN)	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>MERCK & CO., INC.</u>	D Employer Identification Number (EIN) <u>22-1918501</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MERCK & CO. MASTER RETIREMENT TRUST</u>		
b Name of sponsor of entity listed in (a): <u>MERCK & CO., INC.</u>		
c EIN-PN <u>13-6366355-001</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>657718599</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning <u>01/01/2024</u> and ending <u>12/31/2024</u>	
A Name of plan <u>RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MERCK & CO., INC.</u>	D Employer Identification Number (EIN) <u>22-1918501</u>

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions	1b(1)	
(2) Participant contributions	1b(2)	
(3) Other	1b(3)	4114101
		2461930
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	
(2) U.S. Government securities	1c(2)	
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred	1c(3)(A)	
(B) All other	1c(3)(B)	
(4) Corporate stocks (other than employer securities):		
(A) Preferred	1c(4)(A)	
(B) Common	1c(4)(B)	
(5) Partnership/joint venture interests	1c(5)	
(6) Real estate (other than employer real property)	1c(6)	
(7) Loans (other than to participants)	1c(7)	
(8) Participant loans	1c(8)	
(9) Value of interest in common/collective trusts	1c(9)	
(10) Value of interest in pooled separate accounts	1c(10)	
(11) Value of interest in master trust investment accounts	1c(11)	613038262
(12) Value of interest in 103-12 investment entities	1c(12)	657718599
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	
(15) Other	1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	617152363	660180529
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	617152363	660180529

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	50000000	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		50000000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		21148306
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		71148306

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	27473033	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		27473033
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses.....	2i(11)	647107	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		647107
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		28120140

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		43028166
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSE COOPERS LLP

(2) EIN: 13-4008324

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) This form is filed for a CCT, PSA, DCG or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		75000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? Yes No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 547219.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD</u>	B Three-digit plan number (PN)	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MERCK & CO., INC.</u>	D Employer Identification Number (EIN) <u>22-1918501</u>	

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
---	---	---

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
 EIN(s): _____

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	119
--	---	-----

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? Yes No N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... Increase Decrease Both No

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? Yes No

11 a Does the ESOP hold any preferred stock? Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:
 Public Equity: 61.0 % Private Equity: _____ % Investment-Grade Debt and Interest Rate Hedging Assets: 36.0 %
 High-Yield Debt: _____ % Real Assets: 2.0 % Cash or Cash Equivalents: 1.0 % Other: _____ %

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation: _____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.

**Retirement Plan for the
Hourly Employees of MSD**
Financial Statements
December 31, 2024 and 2023

Retirement Plan for the Hourly Employees of MSD
Index
December 31, 2024 and 2023

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Note: Schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	



Report of Independent Auditors

To the Administrator of Retirement Plan for the Hourly Employees of MSD

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the accompanying financial statements of Retirement Plan for the Hourly Employees of MSD (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended and the statement of accumulated plan benefits as of December 31, 2023 and the related statement of changes in accumulated plan benefits for the year then ended, including the related notes (collectively referred to as the "financial statements").

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2024 and 2023 and for the years then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

September 26, 2025

Retirement Plan for the Hourly Employees of MSD
Statements of Net Assets Available for Benefits
December 31, 2024 and 2023

	2024	2023
Assets		
Investments, at fair value (Note 3)		
Interest in Master Retirement Trust	\$ 657,718	\$ 613,039
Advance benefit payment to paying agent	<u>2,462</u>	<u>4,114</u>
Total assets	<u>660,180</u>	<u>617,153</u>
Net assets available for benefits	<u>\$ 660,180</u>	<u>\$ 617,153</u>

The accompanying notes are an integral part of these financial statements.

Retirement Plan for the Hourly Employees of MSD
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2024 and 2023
(\$ in thousands)

	2024	2023
Additions to net assets attributed to		
Interest in the net income from Master Retirement Trust	\$ 21,149	\$ 65,935
Employer contributions	<u>50,000</u>	<u>-</u>
Total additions	<u>71,149</u>	<u>65,935</u>
Deductions from net assets attributed to		
Benefit payments	(27,475)	(120,656)
Administrative expenses	<u>(647)</u>	<u>(644)</u>
Total deductions	<u>(28,122)</u>	<u>(121,300)</u>
Net increase (decrease)	43,027	(55,365)
Net assets available for benefits		
Beginning of year	<u>617,153</u>	<u>672,518</u>
End of year	<u>\$ 660,180</u>	<u>\$ 617,153</u>

The accompanying notes are an integral part of these financial statements.

Retirement Plan for the Hourly Employees of MSD
Statements of Accumulated Plan Benefits and Changes in
Accumulated Plan Benefits
(\$ in thousands)

	December 31,
	2023
Vested Benefits	
Participants currently receiving payments	\$ 98,361
Other participants	348,222
Total vested benefits	<u>446,583</u>
Nonvested benefits	<u>48,315</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 494,898</u>

	Year Ended
	December 31,
	2023
Actuarial present value of accumulated plan benefits, beginning of year	\$ 550,441
Increase (decrease) during the year attributed to	
Interest	34,379
Benefits paid	(120,656)
Benefits accumulated and other	44,165
Assumption changes (Note 4)	<u>(13,431)</u>
Net decrease	<u>(55,543)</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 494,898</u>

The accompanying notes are an integral part of these financial statements.

Retirement Plan for the Hourly Employees of MSD

Notes to Financial Statements

December 31, 2024 and 2023

(\$ in thousands)

1. Description of the Plan

The following description of the Retirement Plan for the Hourly Employees of MSD (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory, defined benefit plan which provides retirement income to eligible employees of Merck Sharp & Dohme LLC ("MSD"), a subsidiary of Merck & Co., Inc. ("Merck" or the "Company"), and participating subsidiaries covered by collective bargaining agreements. Merck is the Plan Sponsor (the "Sponsor").

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code of 1986 ("IRC"), in each case, as amended.

The Plan is administered by management committees appointed by the Company's Chief Executive Officer or the Compensation and Management Development Committee of the Board of Directors of Merck (collectively, the "Plan Administrator").

Funding Policy

Section 412 of the Internal Revenue Code requires the maintenance of a funding standard account, which was established for this Plan as of January 1, 1976. The Company's funding policy is to make annual contributions to the Plan in amounts that fall between the minimum and maximum range permitted by the Internal Revenue Code and as determined in consultation with the Plan's actuary. Contributions are made to the Plan so that no deficiency on an accrual basis exists in the funding standard account at the end of any plan year.

Participants' Contributions

Since January 1, 1973, no contributions by participants have been required.

Participation and Vesting

Participation commences on January 1st or July 1st following the date of hire. Vesting service commences on the date of hire and full vesting is attained after five full or partial (as defined in the Plan document) years of service for most participants.

Retirement and Benefits

Normal retirement age is 65; early retirement age is 55 with 10 years of credited service. There is no age or service requirement for disability retirement. An unreduced early retirement benefit is available for most participants at age 62, or at age 55 if age and years of service total at least 85. An employee's retirement income is based on the greater of two formulas:

- A stated percentage of pay accumulated annually, or
- A stated dollar amount multiplied by years of credited service.

The Plan provides a death benefit to spouses of active married participants or estates of active unmarried participants with a vested right to benefits, and to spouses of inactive participants with a vested benefit. Benefits are accrued during periods of participation for all years of service.

Retirement Plan for the Hourly Employees of MSD

Notes to Financial Statements

December 31, 2024 and 2023

(\$ in thousands)

Master Retirement Trust

The assets of the Plan are maintained in the Master Retirement Trust, for investment purposes only, on a commingled basis with the assets of the Merck US Pension Plan, the MSD Puerto Rico Pension Plan, and the MSD Salaried 401(h) Postretirement Health Account (the “Merck 401(h) Account”). See Note 6 for further discussion of the plans’ ownership interests.

Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to modify the benefits provided to participants, to discontinue its contributions at any time, and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, the assets of the Plan would be distributed among its members and their beneficiaries in the order and manner prescribed by ERISA. Any residual assets of the Plan may be distributed to the Sponsor if all liabilities of the Plan, to its members and their beneficiaries, have been satisfied and the distribution does not contravene any provision of law. Any such residual assets attributable to member contributions, however, shall be equitably distributed to the members who made such contributions (or their beneficiaries) in accordance with their rate of contributions.

The Pension Benefit Guaranty Corporation (“PBGC”), established by ERISA as a nonprofit organization within the Department of Labor, gives further protection against possible loss of benefits. Subject to certain limitations specified by law, the PBGC insures the vested benefits of participants under the Plan in the event the contributions prove to be insufficient. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan’s net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Sponsor and the level of benefits guaranteed by the PBGC.

2. Summary of Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting and are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Retirement Plan for the Hourly Employees of MSD

Notes to Financial Statements

December 31, 2024 and 2023

(\$ in thousands)

Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's management determines the Master Retirement Trust's valuation policies utilizing information provided by investment advisers and Bank of New York Mellon, the trustee of the Plan (the "Trustee"). See Note 7 for discussion of fair value measurements. The interest in the net income (loss) from the Master Retirement Trust includes interest, dividends, investment related expenses and net appreciation (depreciation) in the fair value of investments. Purchases and sales of investments are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis. The net appreciation (depreciation) in fair value of investments consists of the realized gains and losses on the sales of investments and the unrealized appreciation (depreciation) of investments.

Administrative Expenses

Administrative expenses, to the extent such expenses are not paid directly by the Company, are paid by the Plan. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying Statements of Changes in Net Assets Available for Benefits.

Risks and Uncertainties

The actuarial present value of accumulated plan benefits is prepared based on certain assumptions pertaining to interest and mortality rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

The Plan provides for investments in various investment securities. Investment securities in general are exposed to various risks and may decline in value for a number of reasons, including changes in prevailing interest rates and credit availability, increases in defaults, increases in voluntary prepayments for investments that are subject to prepayment risk under normal market conditions, widening of credit spreads and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

3. Information Certified by Trustee

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Investments held at December 31, 2024 and 2023, and investment income (loss) for the years then ended, that are disclosed in the accompanying financial statements and notes to financial statements, were obtained or derived from information supplied to the Plan Administrator and certified as complete and accurate by the Trustee. Such information is as follows:

Retirement Plan for the Hourly Employees of MSD

Notes to Financial Statements

December 31, 2024 and 2023

(\$ in thousands)

Statements of Net Assets Available for Benefits

December 31:

	2024	2023
Assets		
Investments, at fair value		
Interest in Master Retirement Trust, at fair value	\$ 657,718	\$ 613,039

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31:

	2024	2023
Additions to net assets attributed to		
Interest in the net income from Master Retirement Trust	\$ 21,149	\$ 65,935

The fair value of the investment assets and liabilities of the Master Retirement Trust and Plan Interest, as shown in Note 6 as of December 31, 2024 and 2023, and the investment income (loss) of the Master Retirement Trust for the years then ended, are also certified by the Trustee.

4. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits represent the estimated future periodic payments under the Plan's provisions that are attributable to services rendered by employees through the valuation date. Accumulated plan benefits include benefits expected to be paid to the following: (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' annual compensation as a Plan participant. The accumulated plan benefits for active employees are based on their compensation ending on the date as of which the benefit information is presented subject to the minimum benefit in effect as of such date. Benefits payable under all circumstances (i.e., retirement, death, disability, and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, and that amount results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Retirement Plan for the Hourly Employees of MSD
Notes to Financial Statements
December 31, 2024 and 2023
(\$ in thousands)

The significant actuarial assumptions used in the valuations as of December 31 are as follows:

	2023	2022
Lump sum rate	Implied forward rates embedded in the 12/31/2023 Willis Towers Watson RATE: Link 60th to 90th percentile yield curve	Implied forward rates embedded in the 12/31/2022 Willis Towers Watson RATE: Link 60th to 90th percentile yield curve
Discount rate	7.75%	7.00%
Mortality table		
Post commencement	Pri-2012 Retiree Blue-Collar Private Retirement Plans Mortality Tables	Pri-2012 Retiree Blue-Collar Private Retirement Plans Mortality Tables
	Mortality Improvement: Generational projection based on Buck Modified 2021 projection scale	Mortality Improvement: Generational projection based on Buck Modified 2021 projection scale
Pre commencement	Pri-2012 Employee Blue-Collar Private Retirement Plans Mortality Tables	Pri-2012 Employee Blue-Collar Private Retirement Plans Mortality Tables
	Mortality Improvement: Generational projection based on Buck Modified 2021 projection scale	Mortality Improvement: Generational projection based on Buck Modified 2021 projection scale
Lump sum mortality	2024 and 2025 IRC Section 417(e)(3) Mortality Tables used for payments in 2024 and 2025 and later, respectively	2023 and 2024 IRC Section 417(e)(3) Mortality Tables used for payments in 2023 and 2024 and later, respectively
Retirement age	55-72 (average retirement age of 63)	55-71 (average retirement age of 63)
Lump sum utilization	80% of participants elect a lump sum payment	75% of participants elect a lump sum payment

The impact of the changes in discount rates/lump sum interest rates, offset by changes in lump sum mortality and other demographic assumptions, resulted in a net decrease in the actuarial present value of accumulated plan benefits of \$13,431 which is reflected in the Statement of Changes in Accumulated Plan Benefits.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2024 and 2023. Had the computations been performed as of December 31, 2023 and 2022, there would be no material differences.

Retirement Plan for the Hourly Employees of MSD

Notes to Financial Statements

December 31, 2024 and 2023

(\$ in thousands)

5. Contributions

Minimum contributions by the Company are calculated based on actuarial assumptions. There was no minimum contribution to the Plan required for the years ended December 31, 2024 and 2023. The Plan has met the minimum funding requirements of ERISA.

6. Net Assets Held in the Master Retirement Trust

Assets of the Master Retirement Trust are held in pools segregated primarily by investment type. Each plan's interest in a pool is established to create an asset allocation that is expected to deliver a rate of return sufficient to meet the long-term obligation of each plan, given an acceptable level of risk. The Plan maintains an undivided interest in each pool of investments held by the Master Retirement Trust.

The fair value of the Plan's interest is based on the beginning of year value plus actual contributions and allocated investment income, less actual distributions and allocated administrative expenses. Investment income and administrative expenses of the Master Retirement Trust are allocated monthly to each plan based on the relationship of each plan's interest in the Master Retirement Trust to the total interest of all plans in the Master Retirement Trust. The allocation is based on the previous month's ending balance.

A summary of the net assets of the Master Retirement Trust and the Plan's interest in the Master Retirement Trust as of December 31, 2024 is as follows:

	2024		
	Master Retirement Trust	Plan Interest	Plan Interest percentage of Master Retirement Trust*
Investment Assets			
Short-term investments	\$ 135,109	\$ 8,312	6.2%
Investment funds	4,232,217	271,939	6.4%
Equity securities	2,281,488	146,596	6.4%
Fixed income securities	4,599,413	244,670	5.3%
Private equity investments	2,170	-	0.0%
Total investments	11,250,397	671,517	
Other receivables	84,825	4,887	5.8%
Total assets held	11,335,222	676,404	
Investment Liabilities			
Derivatives	(29,645)	(1,953)	6.6%
Other payables	(248,611)	(16,318)	6.6%
Accrued administrative expenses	(6,775)	(415)	6.1%
Net assets held	\$ 11,050,191	\$ 657,718	

* Percentages are approximate.

Retirement Plan for the Hourly Employees of MSD
Notes to Financial Statements
December 31, 2024 and 2023
(\$ in thousands)

In 2023, the Plan maintained an undivided interest in the Master Retirement Trust assets. As of December 31, 2023, the allocation of the net assets held in the Master Retirement Trust, excluding the private equity investments, to the Plan was approximately 5.5%. The Plan did not hold an interest in private equity investments.

	2023	
	Master Retirement Trust	Plan Interest
Investment Assets		
Short-term investments	\$ 534,653	\$ 29,416
Investment funds	4,190,956	230,582
Equity securities	2,378,269	130,850
Fixed income securities	4,315,789	237,450
Derivatives	124,404	6,845
Private equity investments	3,169	-
Total investments	<u>11,547,240</u>	<u>635,143</u>
Other receivables	<u>65,396</u>	<u>3,598</u>
Total assets held	<u>11,612,636</u>	<u>638,741</u>
Investment Liabilities		
Other payables	(459,652)	(25,290)
Accrued administrative expenses	<u>(6,775)</u>	<u>(412)</u>
Net assets held	<u>\$ 11,146,209</u>	<u>\$ 613,039</u>

Other receivables primarily represent amounts due to the Master Retirement Trust for securities sold and for income accruals. Other payables primarily represent amounts payable by the Master Retirement Trust for investments purchased.

The investment income of the Master Retirement Trust for the years ended December 31 are as follows:

	2024	2023
Investment income (loss)		
Net appreciation	\$ 149,808	\$ 1,071,829
Interest and dividends	203,065	195,863
Investment fees	<u>(28,369)</u>	<u>(27,513)</u>
Total investment income	<u>\$ 324,504</u>	<u>\$ 1,240,179</u>

7. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Entities are required to use a fair value hierarchy which maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Retirement Plan for the Hourly Employees of MSD

Notes to Financial Statements

December 31, 2024 and 2023

(\$ in thousands)

- Level 1 Quoted prices in active markets for identical assets or liabilities. The Master Retirement Trust's Level 1 assets primarily include registered investment companies (mutual funds), equity securities, and exchange-traded futures contracts.
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Master Retirement Trust's Level 2 assets primarily include certain fixed income investments such as government and agency securities, corporate obligations, loans secured by mortgages, asset-backed securities, municipal obligations, and other derivatives that are traded over the counter.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation. The Master Retirement Trust's Level 3 assets consist of investments in private equity investments, for which there is limited observability of market pricing.

If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Within the Master Retirement Trust, investments are recorded at fair value, as follows:

Short-term investments

Short-term investments are comprised of interest-bearing cash and investments in collective investment funds which invest in high quality money market instruments. As a practical expedient, collective investment funds are valued at their respective net asset values provided by the trustee. There is daily liquidity for these collective investment funds.

Investment Funds

Investment funds are comprised of common/collective trusts, 103-12 investment entities, Section 3(c)(1) and 3(c)(7) funds and registered investment companies. Investment funds are valued at their respective net asset values. The fair value of investments in common/collective trusts, 103-12 investment entities and Section 3(c)(1) and 3(c)(7) funds are determined by their trustee and are measured at net asset value as a practical expedient. The net asset values of investments in registered investment companies are typically determined by the fund at the close of regular trading.

Presented in the table below are the percentages of investment funds held by the Master Retirement Trust that may be redeemed daily, monthly, and quarterly, at December 31:

	2024	2023
Daily	78%	80%
Monthly	18%	17%
Quarterly	4%	3%

Retirement Plan for the Hourly Employees of MSD

Notes to Financial Statements

December 31, 2024 and 2023

(\$ in thousands)

Equity Securities

Equity securities, for which market quotations are readily available, are generally valued at the last reported sale price on their principal exchange on the valuation date, or official close price for certain markets. If no sales are reported for that day, investments are valued at the more recent of (i) the last published sale price or (ii) the mean between the last reported bid and asked prices for long positions, or at fair value as determined in good faith by the Trustee and the Sponsor.

Fixed Income Securities

Fixed income securities, including U.S. government and agency obligations, corporate obligations, asset-backed securities, and loans secured by mortgages, are generally valued on the basis of valuations furnished by a pricing service approved by the Trustee or at fair value as determined in good faith by the Trustee and the Sponsor. The Trustee has the discretionary authority to hire a pricing service to determine valuations using methods based on current market transactions, prices for comparable securities and various relationships between securities which are generally recognized by institutional traders.

Private Equity

Private equity investments are made via fund-of-funds, whereby the Master Retirement Trust is a limited partner in a fund managed by a general partner. The general partner invests in portfolios of private equity partnerships. The underlying portfolio investments are diversified by strategy, such as buyouts and venture capital, and by industry, such as healthcare, services, and technology. At inception, an unfunded commitment is made to the fund which is then drawn over time.

Once invested, it is very difficult to achieve liquidity before the manager realizes the investments in the portfolio, which is typically in five to ten years from inception. Distributions are made only as investments are converted to cash. The funds held by the Master Retirement Trust are mature and in their distribution phase. The Master Retirement Trust values its investments in these funds at the net asset value of the Master Retirement Trust's ownership interest in the fund. Unfunded commitments for these funds on December 31, 2024 and 2023 was approximately \$2,901. The Plan does not have any interest in these investments as they are fully owned by the Merck US Pension Plan and the MSD Puerto Rico Pension Plan.

Derivatives

Fixed income managers within the Master Retirement Trust use interest rate futures to extend or shorten portfolio duration. A futures contract is an agreement to buy or sell a financial instrument for a set price in the future. Futures contracts are exchange-traded and are generally valued based on prices received from primary and secondary exchanges. Futures are marked-to-market daily. Changes in the market value of open futures contracts are recorded as unrealized appreciation or depreciation.

Managers of international investments within the Master Retirement Trust use foreign currency contracts to facilitate the purchase of foreign equities, manage currency exposures and convert foreign currency dividends received into U.S. dollars. A forward foreign currency contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. Foreign currency contracts are generally valued using pricing models with inputs that are observable in the market. The market value of a forward foreign currency contract fluctuates with changes in foreign currency exchange rates. All commitments are marked to market daily at the applicable exchange rates and any resulting unrealized appreciation or depreciation is recorded.

Retirement Plan for the Hourly Employees of MSD

Notes to Financial Statements

December 31, 2024 and 2023

(\$ in thousands)

Derivatives involve elements of both market and credit risk for the Master Retirement Trust in excess of the amounts reflected in the net assets of the Master Retirement Trust. The Master Retirement Trust bears the market risk, which arises from any changes in security or currency values. The credit risk for futures contracts is limited to failure of the exchange or board of trade which acts as the counterparty to the Master Retirement Trust's futures transactions. Foreign currency contracts are executed directly with the counterparty and not through an exchange and can be terminated only by agreement of both parties to such contracts. With respect to such transactions, the Master Retirement Trust is exposed to the risk of default by the counterparty. Due to the nature of the Plan, such risks are limited to the Plan's interest in the Master Retirement Trust.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There have been no changes in the methodologies used at December 31, 2024 and 2023.

Presented in the tables below are the fair values of derivatives within the Master Retirement Trust as of December 31. These amounts are included in Interest in the Master Retirement Trust on the Statements of Net Assets Available for Benefits.

	2024		
	Fair Value of Derivatives		U.S. Dollar
	Asset	Liability	Notional
Derivatives not designated as hedging instruments			
Interest rate futures	\$ -	\$ 29,645	\$ 1,675,681
Total	<u>\$ -</u>	<u>\$ 29,645</u>	<u>\$ 1,675,681</u>
	2023		
	Fair Value of Derivatives		U.S. Dollar
	Asset	Liability	Notional
Derivatives not designated as hedging instruments			
Interest rate futures	\$ 124,404	\$ -	\$ 1,836,025
Foreign currency contracts	-	-	468
Total	<u>\$ 124,404</u>	<u>\$ -</u>	<u>\$ 1,836,493</u>

The tables below provide information on the investment gains/(losses) on derivatives within the Master Retirement Trust for the years ended December 31. These gains/(losses) are included in the Interest in the net income from Master Retirement Trust on the Statements of Changes in Net Assets Available for Benefits.

Retirement Plan for the Hourly Employees of MSD

Notes to Financial Statements

December 31, 2024 and 2023

(\$ in thousands)

	2024		
	Realized (Loss) / Gain	Change In Unrealized (Loss) / Gain	Total Investment (Loss) / Gain
Derivatives not designated as hedging instruments			
Interest rate futures	\$ (10,367)	\$ (154,049)	\$ (164,416)
Foreign currency contracts	131	1	132
Total	<u>\$ (10,236)</u>	<u>\$ (154,048)</u>	<u>\$ (164,284)</u>
2023			
	Realized (Loss) / Gain	Change In Unrealized (Loss) / Gain	Total Investment (Loss) / Gain
Derivatives not designated as hedging instruments			
Interest rate futures	\$ (188,021)	\$ 142,299	\$ (45,722)
Foreign currency contracts	(3)	-	(3)
Total	<u>\$ (188,024)</u>	<u>\$ 142,299</u>	<u>\$ (45,725)</u>

Master Retirement Trust Investments Measured at Fair Value

Investments measured at fair value are summarized below:

	Fair Value Measurements as of December 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments in Master Retirement Trust				
Investment Assets				
Short-term investments	\$ 4,611	\$ -	\$ -	\$ 4,611
Investment funds	180,066	-	-	180,066
Equity securities	2,281,488	-	-	2,281,488
Fixed income securities	-	4,599,413	-	4,599,413
Private equity investments	-	-	2,170	2,170
Total investment assets	<u>\$ 2,466,165</u>	<u>\$ 4,599,413</u>	<u>\$ 2,170</u>	<u>\$ 7,067,748</u>
Investment Liabilities				
Derivatives	29,645	-	-	29,645
Total investment liabilities	<u>\$ 29,645</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,645</u>
Investments within the fair value hierarchy	<u>\$ 2,436,520</u>	<u>\$ 4,599,413</u>	<u>\$ 2,170</u>	<u>\$ 7,038,103</u>
Investments measured at NAV practical expedient (1)				4,182,649
Investments at fair value				<u>\$ 11,220,752</u>

⁽¹⁾ Certain investments that were measured at net asset value (NAV) per share or its equivalent have not been classified in the fair value hierarchy. The fair value amounts presented in this table also do not include other receivables and payables.

Retirement Plan for the Hourly Employees of MSD
Notes to Financial Statements
December 31, 2024 and 2023
(\$ in thousands)

The following table presents a reconciliation of the beginning and ending balances for the fair value measurements using significant unobservable inputs (Level 3) as of December 31, 2024:

Balance, beginning of year	\$ 3,169
Realized gains/(losses)	1,913
Change in unrealized gains/(losses)	(2,071)
Investment purchases	4
Investment sales	(845)
Balance, end of year	<u>\$ 2,170</u>

The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date

\$ (2,071)

Master Retirement Trust Investments Measured at Fair Value

Investments measured at fair value are summarized below:

	<u>Fair Value Measurements as of December 31, 2023</u>			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments in Master Retirement Trust				
Investment Assets				
Short-term investments	\$ 108	\$ -	\$ -	\$ 108
Investment funds	257,007	-	-	257,007
Equity securities	2,378,269	-	-	2,378,269
Fixed income securities	-	4,315,789	-	4,315,789
Private equity investments	-	-	3,169	3,169
Derivatives	124,404	-	-	124,404
Total investment assets	<u>\$ 2,759,788</u>	<u>\$ 4,315,789</u>	<u>\$ 3,169</u>	<u>\$ 7,078,746</u>
Investments within the fair value hierarchy	<u>\$ 2,759,788</u>	<u>\$ 4,315,789</u>	<u>\$ 3,169</u>	<u>\$ 7,078,746</u>
Investments measured at NAV practical expedient (1)				4,468,494
Investments at fair value				<u>\$ 11,547,240</u>

⁽¹⁾ Certain investments that were measured at net asset value (NAV) per share or its equivalent have not been classified in the fair value hierarchy. The fair value amounts presented in this table also do not include other receivables and payables.

Retirement Plan for the Hourly Employees of MSD
Notes to Financial Statements
December 31, 2024 and 2023
(\$ in thousands)

The following table presents a reconciliation of the beginning and ending balances for the fair value measurements using significant unobservable inputs (Level 3) as of December 31, 2023:

Balance, beginning of year	\$	4,290
Realized gains/(losses)		2,042
Change in unrealized gains/(losses)		(2,309)
Investment purchases		11
Investment sales		(865)
Balance, end of year	\$	<u>3,169</u>

The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date

\$ (2,309)

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another.

The significance of transfers between levels is based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2024 and 2023, there were no transfers.

8. Related Party Transactions and Parties-in-Interest

Certain investments of the Master Retirement Trust are managed by the Trustee and Newton Investment Management North America, LLC (“Newton”), a division of the Trustee, and therefore, these transactions qualify as party-in-interest transactions. As of December 31, 2024 and 2023, the total market value of investments managed by the Trustee and Newton was \$130,507 and \$725,729, respectively. During the years ended December 31, 2024 and 2023, net income (loss) from investments managed by the Trustee and Newton was \$33,905 and \$30,121, respectively.

9. Tax Status

The Plan and the related Master Retirement Trust are designed in accordance with applicable sections of the IRC and accordingly, the Master Retirement Trust's net income is taxable only to the extent it is considered unrelated business taxable income under the IRC. The Plan received a favorable determination letter from the Internal Revenue Service on February 14, 2018. The Plan has been amended since receiving the determination letter. However, the Plan Administrator and counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC. Therefore, no provision for income taxes has been recorded by the Plan.

Accounting principles generally accepted in the United States of America require the Plan Administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS.

Retirement Plan for the Hourly Employees of MSD

Notes to Financial Statements

December 31, 2024 and 2023

(\$ in thousands)

The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2021.

10. Subsequent Events

The Plan has evaluated subsequent events through September 26 2025, the date the financial statements were available to be issued, and no events were noted which warrant adjustments to, or disclosure in, the financial statements.

Schedule SB, line 26a – Schedule of Active Participant Data

Attained		Years of Credited Service									40 & up	
		Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34		35 to 39
Under 25	<i>Number</i>	16	39	1	0	0	0	0	0	0	0	0
	<i>Avg. Comp.</i>	N/A	\$90,644	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25 to 29	<i>Number</i>	18	229	36	1	0	0	0	0	0	0	0
	<i>Avg. Comp.</i>	N/A	\$101,920	\$121,083	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 to 34	<i>Number</i>	18	173	72	24	0	0	0	0	0	0	0
	<i>Avg. Comp.</i>	N/A	\$107,527	\$116,662	\$120,542	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 to 39	<i>Number</i>	21	107	54	78	29	0	0	0	0	0	0
	<i>Avg. Comp.</i>	\$86,584	\$117,385	\$126,119	\$130,445	\$127,035	\$0	\$0	\$0	\$0	\$0	\$0
40 to 44	<i>Number</i>	10	77	37	73	50	16	2	0	0	0	0
	<i>Avg. Comp.</i>	N/A	\$116,593	\$141,632	\$138,726	\$124,313	N/A	N/A	\$0	\$0	\$0	\$0
45 to 49	<i>Number</i>	9	81	32	61	35	64	41	0	0	0	0
	<i>Avg. Comp.</i>	N/A	\$117,067	\$139,497	\$140,064	\$130,793	\$127,312	\$124,908	\$0	\$0	\$0	\$0
50 to 54	<i>Number</i>	6	71	38	37	44	88	153	26	1	0	0
	<i>Avg. Comp.</i>	N/A	\$113,320	\$143,655	\$138,549	\$120,228	\$130,656	\$122,685	\$126,977	N/A	\$0	\$0
55 to 59	<i>Number</i>	11	62	20	53	38	118	94	48	17	0	0
	<i>Avg. Comp.</i>	N/A	\$121,023	\$159,318	\$130,497	\$117,580	\$128,280	\$123,611	\$121,709	N/A	\$0	\$0
60 to 64	<i>Number</i>	2	33	23	32	41	87	63	32	18	3	3
	<i>Avg. Comp.</i>	N/A	\$108,765	\$118,745	\$131,499	\$114,589	\$123,484	\$113,100	\$118,512	N/A	N/A	N/A
65 to 69	<i>Number</i>	0	6	4	14	14	27	23	3	2	4	4
	<i>Avg. Comp.</i>	\$0	N/A	N/A	N/A	N/A	\$135,002	\$123,507	N/A	N/A	N/A	N/A
70 & up	<i>Number</i>	0	0	0	1	3	5	4	1	2	4	4
	<i>Avg. Comp.</i>	\$0	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	<i>Number</i>	111	878	317	374	254	405	380	110	40	11	11

Average compensation is not shown for cells with less than 20 participants.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Rationale for Assumptions and Methods

Actuarial Standard of Practice No. 27 (“ASOP 27”) provides guidance to actuaries on economic assumptions for measuring pension obligations. Actuarial Standard of Practice No. 35 (“ASOP 35”) provides guidance to actuaries on demographic and other noneconomic assumptions for measuring pension obligations. Under these ASOPs, for each assumption that has a significant effect on the measurement and that the actuary selected, the actuary should disclose the information and analysis that led the actuary to determine, in the actuary’s professional judgment, that the assumption is reasonable for the purpose of the measurement.

The material demographic assumptions are termination rates, retirement rates, salary increase, assumed form of payment upon retirement, and pension commencement assumptions. These assumptions are based on:

- In 2019, an experience study was performed on the Optional Form of Payment and Payment Timing assumptions for retiring members used for the annual actuarial valuations for the period January 1, 2014 to January 1, 2019.
- In 2020, an experience study was performed on the demographic and salary increase assumptions used for the annual actuarial valuations for the period January 1, 2015 to January 1, 2020.

As part of the annual valuation, we monitor the demographic, salary increase, and optional forms elected and commencement among retiring members assumptions and compare them to the plan’s actual experience. The analysis either supports that the assumption is still appropriate or indicates possible need for modifications. We reviewed the assumptions and agree that no change was needed for the current measurement.

The asset valuation method was selected by the plan sponsor with the actuary’s advice.

Use of Models

Actuarial Standard of Practice No. 56 (“ASOP 56”) provides guidance to actuaries when performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. Gallagher uses third-party software in the performance of annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the provisions of the plan using data and assumptions as of the measurement date under the funding rules specified in this report. Further, the model applies those funding rules to the liabilities derived and other inputs, such as plan assets and contributions, to generate many of the exhibits found in this report. Gallagher has an extensive review process whereby the results of the liability calculations are checked using detailed sample output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other funding outputs are similarly reviewed in detail and at a high level for accuracy, reasonability and consistency with prior results. Gallagher also reviews the model when significant changes are made to the software. The review is performed by experts within the company who are familiar with applicable funding rules as well as the manner in which the model generates its output.

Future actuarial measurements

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. An analysis of the potential range of such future differences is beyond the scope of this report. However, in accordance with ASOP 51, an assessment of risks for the plan was performed.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Prescribed Funding Assumptions and Methods

The following assumptions and methods are prescribed by ERISA, as currently amended.

Funding interest rates

	2024 Plan Year	2023 Plan Year
Funding Rates – Constrained*		
First Segment Rate	4.75%	4.75%
Second Segment Rate	4.96%	5.00%
Third Segment Rate	5.59%	5.74%
Effective Interest Rate	5.17%	5.24%
Funding Rates – Unconstrained**		
First Segment Rate	4.37%	2.13%
Second Segment Rate	4.96%	3.62%
Third Segment Rate	4.95%	3.93%
Effective Interest Rate	4.91%	3.64%

* Used for minimum funding and benefit restriction purposes.

** Unconstrained rates used for maximum tax-deduction and ERISA 4010 reporting purposes in 2024.

The interest rates used for funding purposes are the Segment Rates with no lookback, constrained in accordance with relevant legislation.

Mortality

Mortality tables for non-disabled participants mandated by applicable law and regulation as specified in IRS Regulation 1.430(h)(3)-1, as amended in the Federal Register on October 20, 2023, in TD 9983, 88 FR 72357, applied on a fully generational basis using the IRS 2024 Adjusted Scale MP-2021 Rates mortality improvement scale. For disabled participants, mortality as specified in Revenue Ruling 96-7 for post-1994 is used.

Lump Sum interest and mortality:

Interest Rate:	Forward rates implied by the funding interest rates (annuity substitution rule)
Mortality:	2024 IRS 417(e) Applicable Mortality table

Actuarial cost method

The Funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected expenses to be paid from plan assets during the year.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Non-Prescribed Funding Assumptions and Methods

The following assumptions were selected by the plan’s enrolled actuary. The asset valuation method was selected by the plan sponsor with the actuary’s advice and is an acceptable method under the applicable provisions of the Internal Revenue Code and associated regulations.

Cost-of-living

For 2024 Plan Year:

Future Years:	2.35%
Current Year:	3.14%

For 2023 Plan Year:

Future Years:	2.30%
Current Year:	7.11%

For 2024, it's based on the year over year change in November CPI-U, which is 3.14% for 2024 and for future years, the single equivalent rate of 2.35% produced by applying expected benefit payments attributed to prior service to the inflation yield curve published by the Federal Reserve Bank of Cleveland as of December 1, 2023.

Disability rates

Age	Rate
25	0.0%
30	0.0%
35	0.0%
40	0.0%
45	0.1%
50	0.2%
55	0.5%
56	0.5%
57	0.6%
58	0.7%
59	0.8%
60	1.0%
61	1.2%
62	1.4%
63	1.7%
64	2.0%

Early Retirement Rates

Age	Reduced	Unreduced*
55	3.25%	12.00%
56	3.25%	12.00%
57	2.75%	12.00%
58	3.75%	12.00%
59	5.50%	12.00%
60	7.75%	12.00%
61	9.75%	12.00%
62	-	23.75%
63	-	17.00%
64	-	18.75%

*Rates are higher for employees who retire during the first two years of eligibility for Rule of 85 and prior to age 62

The retirement rates are based on an experience study completed in 2020 covering experience over the period 2015 – 2019.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Active participants are assumed to commence benefits according to the table below:

Age	Annuity Forms of Payment	Lump Sum Form of Payment
55-61	60% immediate; 40% deferred to 62	100% immediate
62-64	100% immediate	100% immediate

The commencement assumptions are based on an experience study completed in 2019 covering experience over the period 2014-2018.

Expenses

The Target Normal Cost expense load is estimated as the sum of (i) estimated non-PBGC premiums expenses, which consist primarily of investment management & trust/custodian fees and is determined as a percentage of 1/1/2024 Market Value of Assets based on the prior year's expenses paid as a percentage of 1/1/2023 Market Value of Assets and (ii) PBGC premiums to be paid for the current year based on information available at the valuation date. The dollar amount of the expense load to the Target Normal Cost has decreased.

For 2024 Plan Year: \$2,000,000
 For 2023 Plan Year: \$2,100,000

Frequency of optional payment forms (Non lump sums)

Payment Form	Rate	
	Male	Female
100% Joint and Survivor Annuity	55%	15%
50% Joint and Survivor Annuity	20%	25%
75% Joint and Survivor Annuity	0%	0%
Single Life Annuity	25%	60%
5 Year Certain and Life	0%	0%
10 or 15 Year Certain and Life	0%	0%
Social Security Level Income	0%	0%
Other Equivalent Form	0%	0%

The frequency of optional payment forms is based on an experience study completed in 2019 covering experience over the period 2014-2018.

Lump Sum Utilization

It is assumed that 75.0% of active and deferred employees will elect a lump sum at retirement.

The lump sum utilization assumption is based on an experience study completed in 2019 covering experience over the period 2014-2018.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Marital percentage

80% of male participants and 70% of female participants are assumed to be married at death. Husbands are assumed to be 3 years older than their wives.

Retirement Rates

Assumed annual rates of normal retirement are as follows:

Age	Rate
65	35%
66	35%
67	35%
68	35%
69	35%
70	35%
71	100.0%

The retirement rates are based on an experience study completed in 2020 covering experience over the period 2015 – 2019.

Upon retirement, participants are assumed to commence receiving benefits immediately.

An experience study completed in 2019 covering experience over the period 2014 – 2018 resulted in no change to the commencement assumption.

Commencement of benefits

Current deferred vested participants are assumed to commence benefits in accordance with the table below:

Participant Type	Commencement Assumption
Non-Early Retirement Eligible	100% at age 65
Early Retirement Eligible 55 & 10	60% per year until 100% at age 62; all lump sums immediate
Early Retirement Eligible 62 & 10 Rule of 85	100% immediate

Those currently over age 65 are valued with an actuarially increased benefit.

The commencement assumptions are based on an experience study completed in 2019 covering experience over the period 2014 – 2018.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Salary increases

Select ages shown.

Age	Rate
25	9.50%
30	8.30%
35	6.90%
40	5.90%
45	4.90%
50	3.90%
55	3.20%
57+	3.00%

The salary increase assumption reflects the anticipated compensation practice of the plan sponsor.

The age-based salary increase assumption is based on an experience study completed in 2020 covering experience over the period 2015 – 2019.

Withdrawal rates for active participants not eligible for retirement

Sample rates as follows:

Age	Assumption for 4 or Fewer Years of Service	Assumption for 5 or More Years of Service
25	6.1%	7.3%
30	6.1%	6.7%
35	6.1%	4.8%
40	6.1%	2.4%
45	6.1%	1.7%
50	6.1%	1.5%
55	6.1%	0.6%
60	6.1%	1.3%
64	6.1%	3.0%

The withdrawal rates are based on an experience study completed in 2020 covering experience over the period 2015 – 2019.

Upon termination, vested participants are assumed to commence receiving benefits at age 65.

An experience study completed in 2019 covering experience over the period 2014 – 2018 resulted in no change to the commencement assumption.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Non-Prescribed Funding Assumptions and Methods (continued)

Asset valuation method

The Actuarial Value of Assets is market value as of the valuation date, including the discounted value of accrued contributions, reduced by 2/3 of the gain/(loss) for the immediately preceding plan year and reduced by 1/3 of the gain/(loss) for the plan year before that. The gain/(loss) for each period is determined as the actual return on market value during the period less the expected return on market value based on an assumed earnings rate chosen by the actuary but required by current law and regulation to be not greater than the applicable third Segment Rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value, including discounted receivable contributions.

The Actuary’s assumption is consistent with the expected long-term rate of return selected by the plan sponsor for accounting purposes. The actuary has considered the plan sponsor’s estimates of long-term future experience, taking into account asset allocation and historical and expected plan experience, and has selected the rate shown below (limited by the applicable third segment rate) for valuation of the plan’s assets.

	Actuary’s Assumption	Third Segment Rate	Reflecting PPA Limit
2024 Expected Return	7.75%	5.59%	5.59%
2023 Expected Return	7.00%	5.74%	5.74%
2022 Expected Return	6.70%	5.92%	5.92%

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (continued)

Summary of Changes from the January 1, 2023 Valuation

- The interest rate basis and mortality tables for computing funding liabilities were updated for 2024 in accordance with PPA.
- The cost of living was changed from 7.11% for 2023 and 2.30% for 2024 and later for the 1/1/2023 valuation to 3.14% for 2024 and 2.35% for 2025 and later for the 1/1/2024 valuation.
- The expected return on assets changed from 7.00% for 2023 to 7.75% for 2024.
- The enrolled actuary estimated the expense load as the sum of (i) a percentage of the 1/1/2024 Market Value of Assets for non-PBGC premium expenses, which consists primarily of investment management & trust/custodian fees and (ii) projected current year PBGC premiums. The percentage is based on the prior year's expenses paid as a percentage of the 1/1/2023 Market Value of Assets. The dollar amount of the expense load to the Target Normal Cost has decreased from \$2,100,000 to \$2,000,000 due to a decrease in recent expenses.
- The changes in prescribed and non-prescribed assumptions between 1/1/2023 and 1/1/2024 increased the Funding Target by 0.40%, increased the Target Normal Cost by 1.35% and decreased the AFTAP from 111.86% to 111.41%.

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2024

**This Form is Open to Public
Inspection**

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RETIREMENT PLAN FOR THE HOURLY EMPLOYEES OF MSD	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Merck & Co., Inc.	D Employer Identification Number (EIN) 22-1918501	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

Part I	Basic Information		
1	Enter the valuation date:	Month <u>01</u> Day <u>01</u> Year <u>2024</u>	
2	Assets:		
	a Market value	2a	617,564,054
	b Actuarial value	2b	679,320,459
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	1,113	121,119,976
	b For terminated vested participants	2,484	84,438,350
	c For active participants	2,880	350,733,483
	d Total	6,477	556,291,809
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	5.17%
6	Target normal cost		
	a Present value of current plan year accruals	6a	29,176,324
	b Expected plan-related expenses	6b	2,000,000
	c Target normal cost	6c	31,176,324

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	(SIGNED) Susan J. Feightner	9/15/2025
	Signature of actuary	Date
	Susan J. Feightner	2308170
	Type or print name of actuary	Most recent enrollment number
	Buck Global, LLC	412-290-1956
	Firm name	Telephone number (including area code)
	444 Liberty Avenue Suite 805 Pittsburgh PA 15222	
	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:	1st segment: 4.75%	2nd segment: 4.96%	3rd segment: 5.59%	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code).....				21b 0

22 Weighted average retirement age **22** 63

23 Mortality table(s) (see instructions) Prescribed - combined Prescribed - separate Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. Yes No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. Yes No

26 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. Yes No

b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ... Yes No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment..... **27**

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6c).....	31a	31,176,324
b Excess assets, if applicable, but not greater than line 31a	31b	31,176,324

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount..... **33**

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)....	34	0
--	-----------	---

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)..... **36** 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 49,691,074

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	38a	49,691,074
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)..... **39** 0

40 Unpaid minimum required contributions for all years **40** 0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. 2019 2020 2021

Schedule SB Notes for 2024 Plan Year

In preparing this Schedule SB, the actuary relied on other parties for--and applied reasonability tests to-- information on assets, contributions, plan provisions, and data on people covered by the Plan.

Schedule SB, line 22 – Description of Weighted Average Retirement Age

This table calculates the weighted average retirement age for all active persons in the plan.

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
55	1,450.6332	0.0645	93.6347	5,149.9063
56	1,445.2632	0.0697	100.7383	5,641.3439
57	1,418.0334	0.0694	98.4076	5,609.2345
58	1,398.1657	0.0799	111.7586	6,482.0006
59	1,353.6228	0.0899	121.7581	7,183.7279
60	1,310.5491	0.1004	131.6370	7,898.2209
61	1,244.2885	0.1073	133.5275	8,145.1774
62	1,158.1521	0.2189	253.4802	15,715.7710
63	935.5531	0.1547	144.7003	9,116.1216
64	827.0595	0.1704	140.9001	9,017.6042
65	703.7613	0.3500	246.3165	16,010.5695
66	490.7179	0.3500	171.7513	11,335.5843
67	332.8892	0.3500	116.5112	7,806.2527
68	223.8374	0.3500	78.3431	5,327.3292
69	157.3647	0.3500	55.0777	3,800.3584
70	107.4220	0.3500	37.5977	2,631.8400
71	75.1751	1.0000	75.1751	5,337.4308
72	3.0000	1.0000	3.0000	216.0000
73	2.0000	1.0000	2.0000	146.0000
74	1.0000	1.0000	1.0000	74.0000
75	1.0000	1.0000	1.0000	75.0000
76	2.0000	1.0000	2.0000	152.0000
77	1.0000	1.0000	1.0000	77.0000
78	1.0000	1.0000	1.0000	78.0000
Total			2,122.3150	133,026.4732
Weighted Average Retirement Age = 133,026.4732 / 2,122.3150				62.68
Rounded Weighted Average Retirement Age				63

Note to Column 2: The Expected Active Headcount for each age includes persons who are eligible to retire and persons who are not eligible to retire at each age.

Note to Column 3: At each age, these retirement rates are a weighted average of the rates shown in Attachment to Part V for active participants eligible to retire at the age and zero for all other active participants.

General note: The table presents values rounded to fewer significant digits than used in the calculation.

Schedule SB, line 26b – Schedule of Projection of Expected Benefit Payments

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2024	2,038,590	1,599,756	11,341,670	14,980,017
2025	5,491,554	1,832,726	11,047,754	18,372,034
2026	8,890,504	2,107,008	10,742,046	21,739,558
2027	12,093,857	2,425,611	10,459,035	24,978,503
2028	15,098,353	2,760,690	10,168,060	28,027,103
2029	18,004,291	3,094,780	9,870,399	30,969,470
2030	20,617,173	3,492,461	9,549,731	33,659,364
2031	22,963,079	3,877,478	9,227,151	36,067,708
2032	25,069,824	4,284,766	8,901,537	38,256,127
2033	26,915,930	4,688,262	8,567,569	40,171,761
2034	28,479,416	5,183,841	8,215,321	41,878,578
2035	29,906,236	5,642,237	7,853,379	43,401,852
2036	31,134,857	6,174,934	7,476,192	44,785,983
2037	32,129,125	6,568,847	7,089,248	45,787,219
2038	33,003,392	6,821,459	6,688,096	46,512,947
2039	33,665,108	7,187,867	6,289,791	47,142,765
2040	34,132,583	7,414,975	5,884,707	47,432,265
2041	34,537,055	7,603,243	5,474,922	47,615,220
2042	34,726,222	7,807,545	5,062,917	47,596,684
2043	34,708,380	7,931,166	4,651,520	47,291,066
2044	34,572,055	7,984,217	4,243,818	46,800,090
2045	34,293,144	8,093,935	3,843,054	46,230,133
2046	33,914,739	8,109,053	3,452,567	45,476,359
2047	33,407,096	8,030,945	3,075,713	44,513,755
2048	32,780,442	7,964,054	2,715,764	43,460,260

**Schedule SB, line 26b – Schedule of Projection of Expected Benefit Payments
(continued)**

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2049	32,076,385	7,898,143	2,375,790	42,350,318
2050	31,282,592	7,806,262	2,058,482	41,147,336
2051	30,407,793	7,782,448	1,765,983	39,956,225
2052	29,354,698	7,649,458	1,499,814	38,503,971
2053	28,271,141	7,388,031	1,260,800	36,919,972
2054	27,083,079	7,131,934	1,049,057	35,264,069
2055	25,836,538	6,834,589	864,003	33,535,130
2056	24,511,659	6,504,296	704,466	31,720,421
2057	23,154,916	6,167,586	568,776	29,891,279
2058	21,809,907	5,828,058	454,890	28,092,854
2059	20,455,709	5,492,768	360,545	26,309,022
2060	19,126,934	5,164,503	283,368	24,574,806
2061	17,798,692	4,820,129	220,992	22,839,813
2062	16,505,952	4,472,029	171,148	21,149,129
2063	15,257,627	4,134,633	131,733	19,523,993
2064	14,023,606	3,803,831	100,859	17,928,295
2065	12,829,144	3,483,675	76,880	16,389,698
2066	11,688,057	3,177,107	58,402	14,923,566
2067	10,620,858	2,885,838	44,257	13,550,953
2068	9,624,269	2,610,683	33,495	12,268,446
2069	8,700,250	2,352,226	25,353	11,077,828
2070	7,847,455	2,110,499	19,225	9,977,179
2071	7,062,761	1,885,388	14,638	8,962,786
2072	6,342,200	1,676,559	11,221	8,029,980
2073	5,681,464	1,483,522	8,687	7,173,673

Schedule SB, Part V – Summary of Plan Provisions

1 – Participation in Plan

Each hourly employee of the Company becomes a participant on the first day of January or the first day of July coincident with or next following his employment.

2 – Benefits

Service Retirement Benefit

Condition for Benefit

The normal retirement age is 65.

Amount of Benefit

Upon normal retirement, a participant receives an annual allowance, which consists of:

- (a) For participating service after June 30, 1967, a retirement income equal to 1.25% of the first \$4,800 of each year's compensation, plus 1.50% of such compensation in excess of \$4,800.
- (b) For participating service from July 1, 1961 to June 30, 1967, a retirement income equal to 1.0% of the first \$900 of each year's compensation, plus 1.25% of such compensation between \$900 and \$4,800, plus 1.50% of such compensation in excess of \$4,800.
- (c) For participating service from July 1, 1956 to June 30, 1961, a retirement income equal to .8% of the first \$900 of each year's compensation, plus 1.1% of such compensation between \$900 and \$4,200 plus 1.33% of such compensation in excess of \$4,200.
- (d) For service rendered prior to July 1, 1956, a retirement income equal to either:
 - (i) the benefit accrued in accordance with the provisions of the Plan as amended to June 30, 1956; or
 - (ii) the benefit accrued under the insured Retirement Plan for the Hourly Employees of Merck & Co., Inc.; such benefits are payable by the insurance company in accordance with the provisions of the group annuity contract as amended, and are not taken into account in the remainder of this summary or in the valuation.
- (e)
 - (i) IUC Employees – effective May 1, 2000 for retirement on or after July 1, 2000, the annual allowance was updated to an 18-year career average. Accruals after December 31, 1999 are calculated as shown above.
 - (ii) USW Employees - effective May 1, 2001 for retirement on or after July 1, 2001, the annual allowance was updated to an 18-year career average. Accruals after December 31, 2000 are calculated as shown above.
 - (iii) IUOE Employees – effective June 15, 2001 for retirement on or after July 1, 2001, the annual allowance was updated to an 18-year career average. Accruals after December 31, 2000 are calculated as shown above.
 - (iv) MIU Employees – effective November 16, 2001 for retirement on or after April 1, 2002, the annual allowance was updated to an 18-year career average. Accruals after December 31, 2001 are calculated as shown above.

Schedule SB, Part V – Summary of Plan Provisions (continued)

- (v) Graphic Communications Local 4C Employees – effective December 1, 2001 for retirement on or after April 1, 2002, the annual allowance was updated to an 18-year career average. Accruals after December 31, 2001 are calculated as shown above.

The minimum annual normal retirement benefit, before optional election, payable to any participant shall not be less than

- (a) For participants in RY-USW Local or SW-Workers United – Local or IUOE:
 - (i) in the case of a participant entering the Plan after June 30, 1970, or a participant who elected a return of his accumulated contributions, \$720 multiplied by the number of years of credited service, or
 - (ii) in the case of a participant who did not elect a return of his accumulated contributions, \$732 multiplied by the number of years of credited service.
- (b) For participants in MIU, USW Local 1-86, USW Local 10-580 or SW – Chemical Workers – full MOA:
 - (i) \$720 multiplied by the number of years of credited service.

A special minimum benefit will be provided for Inter Union Council employees who attain age 55 with 10 years of credited service before April 1, 2009 which is 107.5% of the Hourly Plan benefit calculated as of August 1, 2006 based upon the \$660 (\$672 for participants who did not elect a return of accumulated contributions) multiplied by the minimum service as of August 1, 2006.

A special minimum benefit will be provided for USW and IUOE employees who attain age 55 with 10 years of credited service or age 65 on or before March 31, 2010 which is 107.5% of the Hourly Plan benefit calculated as of August 1, 2007 based upon the \$660 (\$672 for participants who did not elect a return of accumulated contributions) multiplied by the minimum service as of August 1, 2007.

A special minimum benefit will be provided for MIU and Graphic Communications employees who attain age 55 with 10 years of credited service or age 65 on or before October 31, 2011 which is 107.5% of the Hourly Plan benefit calculated as of November 30, 2007 based upon the \$660 (\$672 for participants who did not elect a return of accumulated contributions) multiplied by the minimum service as of November 30, 2007.

The minimum retirement allowance is reduced by the amount of retirement allowance payable from all other retirement plans, other than government-established plans, supported in part or in whole by contributions of the Company.

Schedule SB, Part V – Summary of Plan Provisions (continued)

Early Retirement Benefit

Condition for Benefit

A participant may elect to retire after attainment of age 55 if he has also completed at least 10 years of credited service in the Hourly Plan or any other retirement plan of the Company.

Amount of Benefit

The earlier retirement benefit is either a deferred retirement income beginning at age 65 computed as a normal retirement benefit based on his compensation and service credits to early retirement or, at his election, a reduced income beginning immediately. Such reduced income is equal to the total benefit payable at age 65 from the Hourly Plan and any other retirement plan of the Company reduced by .25% for each month benefits begin prior to age 62 and further reduced from time to time by the amounts of benefits becoming payable from such other retirement plans. The early retirement benefit is not reduced for early commencement if age plus service is at least 85.

Disability Retirement Benefit

Condition for Benefit

A participant who becomes mentally or physically incapacitated may be retired on a date earlier than his normal retirement date.

Amount of Benefit

In the event of disability retirement, there shall be made available a benefit which when added to all other retirement benefits payable from other retirement plans of the Company shall produce a benefit equal to the total benefit which would have been payable commencing on his normal retirement date based on his compensation and service to his disability retirement date.

Termination Benefit

Condition for Benefit

Upon termination of participation, for causes other than death or retirement, the participant is entitled to the return of his accumulated contributions, if any. If, however, the participant is terminated after at least 5 years of service he is entitled to a termination allowance.

Amount of Benefit

The termination benefit is payable at age 65 or, in an actuarially reduced amount, at any time after age 55 and is equal to the accrued benefit based on compensation and service at termination.

Schedule SB, Part V – Summary of Plan Provisions (continued)

Surviving Spouse's Benefit

Condition for Benefit

Upon the death before retirement of a participant whose benefits under the Plan are non-forfeitable or a deferred vested participant, a benefit may be payable to the spouse.

Amount of Benefit

The benefit payable to the spouse, if any, is equal to the benefit which would have been payable had the participant retired on early retirement the day before his death and elected Option (b). The deferred vested participants' benefit is reduced for spouse's coverage.

Death Benefit

Upon the death of a participant prior to retirement, his accumulated contributions, if any, are paid to a designated beneficiary.

Upon the death of a retired participant whose retirement income is payable under Option (a), Option (e), Option (f) or Option (g), any excess of his accumulated contributions, if any, at retirement over the total of his retirement allowance payments is paid to a designated beneficiary.

Upon the death of the second to die of a retired participant who has elected Option (b), Option (c), Option (d) or Option (h) and the person designated to receive survivorship benefits under such option, any excess of the participant's accumulated contributions, if any, at retirement over the total of the retirement allowance payments made is paid to a designated beneficiary.

Death Benefit to Estate

Condition for Benefit

Upon the death after attainment of retirement eligibility of an unmarried participant of MIU, a benefit shall be payable to the participant's estate. For all other unions, upon the death in active service of an unmarried vested participant a benefit shall be payable to the participant's estate.

Amount of Benefit

The benefit payable to the estate is equal to the lump sum which would have been payable had the participant retired on early retirement the day before his death and elected Option (b) with a spouse who is the same age as the participant.

Maximum Benefit

The maximum annual retirement benefit is that permitted by the Employee Retirement Income Security Act of 1974 as amended by the Tax Reform Act of 1986, and by IRC Section 401(a)(17) compensation limitations as amended by the Omnibus Budget Reconciliation Act of 1993 and the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001.

Schedule SB, Part V – Summary of Plan Provisions (continued)

Retirement Income Options

Prior to retirement, a retiring participant elects one of the following options. The incomes payable under Options (b) through (j) are of equivalent actuarial value to the income payable under Option (a). In the event an unmarried retiring participant fails to elect an option or the last designated contingent annuitant predeceases him before he becomes a retired participant, he is deemed to have elected Option (a). If the retiring participant is married, he is deemed to have elected Option (b).

- (a) A retirement income payable to him for life.
- (b) A reduced retirement income payable to him for life and, after his death, one-half of the reduced income to his surviving spouse.
- (c) A reduced retirement income payable to him for life and, after his death, the same reduced income to his surviving spouse.
- (d) A reduced retirement income payable to him for life and, after his death, 75% of the reduced income to his surviving spouse.
- (e) A reduced retirement income payable to him for life with the provision that, if he dies before receiving total payments equal to five times the accrued annual benefit otherwise payable at his normal retirement date (after adjustment for the minimum allowance), the excess of such amount, if any, will be payable to a designated beneficiary.
- (f) A reduced retirement income payable to him for life with the provision that, if he dies before receiving income payments in an aggregate amount equal to ten or fifteen times (as elected by the participant prior to retirement) such reduced annual retirement income payable to him, then the excess of such amount, if any, will be payable to a designated beneficiary.
- (g) A reduced retirement income in such amount that, together with his Social Security benefit and any other non-optional benefit under any other plan of the Company, will provide the same income both before and after his Social Security benefit commences.
- (h) A reduced retirement income payable to him for life and, after his death, one half of the reduced income to a designated contingent annuitant.
- (i) A one-time single sum of actuarial equivalent value of the benefit to which the participant is entitled.
- (j) Some other variation of the forms above determined on an actuarial equivalent basis.

Schedule SB, Part V – Summary of Plan Provisions (continued)

3 - Contributions

By Participants

Effective January 1, 1973 no further contributions by participants were required.

By Company

The Company contributes the portion of the cost of benefits that is not covered by the contributions of participants.

4 - Special Provisions

BAC/PACO

As of May 20, 1985, employees of BAC/PACO became deferred vested participants in the Plan and became vested in their accrued benefits as of that date.

For purposes of determining eligibility for early retirement, service with BAC/PACO after May 20, 1985 is taken into account.

Back-Pay

Back-pay that was paid to certain participants in 2018 may be reflected as earned in a different year or years as a result of reaching the IRC Section 401(a)(17) compensation limit in 2018.

COVID Death Benefit

There was an enhanced benefit provided to specific deaths due to COVID through December 31, 2023.

Transfers from Legacy Schering-Plough

Participants of the Legacy Schering-Plough Retirement Plan Constituent Plan of the Merck US Pension Plan (Legacy S-P Plan) who transfer in the Plan on or after January 19, 2021 immediately become participants in the Plan.

For the sole purpose of early retirement (including the Rule of 85) eligibility, service shall include service used for benefit accrual under the Legacy S-P Plan.

Employees who are fully vested in their Legacy S-P Plan are vested in their accrued benefit in the Plan.

Summary of Changes from the January 1, 2023 Valuation

None.

Schedule SB, line 24 – Change in Actuarial Assumptions

- The expected return on assets changed from 7.00% for 2023 to 7.75% for 2024.
- The cost of living was changed from 7.11% for 2023 and 2.30% for 2024 and later for the 1/1/2023 valuation to be the year over year change in November CPI-U, which is 3.14% for 2024 and single equivalent rate of 2.35% produced by applying expected benefit payments attributed to prior service to the inflation yield curve published by the Federal Reserve Bank of Cleveland as of December 1, 2023 for 2025 and later for the 1/1/2024 valuation.
- The enrolled actuary estimated the expense load as the sum of (i) a percentage of the 1/1/2024 Market Value of Assets for non-PBGC premium expenses, which consists primarily of investment management & trust/custodian fees and (ii) projected current year PBGC premiums. The percentage is based on the prior year's expenses paid as a percentage of the 1/1/2023 Market Value of Assets. The dollar amount of the expense load to the Target Normal Cost has decreased from \$2,100,000 to \$2,000,000 due to a decrease in recent expenses.