

# EXHIBIT 6

Mary Moreland



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Correspondences

I met yesterday with Miles White, Rick Gonzalez, Greg Linder, Bill Preece, Tom Wascoe, Grice Williams, Steve Fussell, and Lois Lourie to discuss the Abbott retirement program alternatives.

#### Bottom Line

The meeting went very well. They liked the recommendation of the Reduced FAP alternative, and we're moving ahead. The material we used in our discussion is attached to the bottom of this note.

We also got into more discussion of retiree medical than we had intended. Steve's quick summary of the status turned into Miles drawing a chart and talking about the alternatives. We learned that Greg wants to book the FAS 106 savings for Q2. This means that they will need to communicate to employees before June 30. So there's a lot to be done on this front!

We have lots of follow-up and lots to do very quickly. I've tried to summarize the discussion and the follow-ups below.

#### Discussion

Steve led most of the discussion. I interjected from time to time and helped on the technical points.

- Miles was overwhelmed by the two formulas, the covered comp vs. FAP comparison, and the fact that they reduced the participant's benefit in order to "add in" the impact of social security.
- Miles and Rick thought the charge for pre-ret surviving spouse coverage had to be eliminated. I'm not sure Grice understands that we're just eliminating it going forward.....but we can talk about that in more detail.

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- In looking at the hot zones, Miles was surprised that this was "all" we wanted to do. He really embraced the concept that the plan was overly rich, and I think he would have been comfortable going with an even bigger cut. He thought that taking out 1.2% of the total pay replacement at 62 was pretty minimal. Even the 4.3% reduction at 55 didn't bother him. (Though that did bother Jeff Leiden quite a bit when we discussed it on Monday.)
- Miles really, really liked the two-page handout we pulled together yesterday morning. (Thank you Chris!!!) It was based on the companies that he had requested we use as comparators for retiree medical details. But when he saw it he wanted to know why we had "left out" so many companies -- Bristol Meyers, Schering, Guidant, Wyeth, and Medtronic. We'll need to add this in on the pension comparison and for retiree medical.
- Miles said that he felt the analysis was very good, he liked the ideas, and he was most concerned about the **communication**. In sitting through these meetings, it has become clear that Miles thinks Steve's team can't "market/sell" or communicate the changes well. More on that later.... Miles is concerned that the message to employees will be "You're saving really well now so we're going to cut back on what we provide to you in the DB plan."
- We talked for quite some time about a message to employees. Miles wanted it to be something like this:
  1. Medical and pension costs have been increasing rapidly
  2. We have richer benefits than most companies.
  3. In order to maintain our benefits at a sustainable cost level, need to make some changes.
  4. Current benefits have incentives to retire very early (as early as age 50 which only XX% of Fortune 500 companies allow..)
  5. This drives our costs + it means that our experienced people are often leaving sooner than we would like.
  6. Many companies are struggling with these same issues. Some are making severe cuts. We are not.
  7. Our benefits will continue to be among the best vs. other companies.
- Miles also said that he wants the communication to address how they compare with other employers (lots of BI work to do on this -- see below). He wants to be able to show that the changes are fair, make sense, and keep Abbott's benefits at a level that is better than other employers.
- Miles talked a lot about having employee meetings to discuss these changes. He wants those meetings to address the benefit comparison issues, the prevalence issues (what % of companies have only a DC plan now; who still has a trad'l FAP -- which he clearly views as "better" than any alternative).
- Tom Wascoe said that they are already talking with their internal communications staff about the changes. They want to use the same outside communications marketing firm they used when they announced the benefits improvements (they were "better and cheaper" than we were).
- The next meeting with Miles is May 5. It was originally scheduled to be active health care, but they need to announce the retiree medical changes before the end of Q2 in order to book the savings. So we'll discuss the retiree medical changes at the May 5 meeting.
- Tom Wascoe still wants Steve to "address" Jeff Leiden's idea that we make the change to the formula but leave the 3% reductions intact. Steve agrees that it's not what they should do, but he will have to address the question.

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### Follow-Ups

- MARY: Call Lois to set up a time to discuss next steps and communication. (I left a message this morning.)
- CHRIS: Add Bristol-Meyers, Schering, Guidant, Wyeth, and Medtronic to the health care comparison for pension that we prepared yesterday.
- MARY: Add Bristol-Meyers, Schering, Guidant, Wyeth, and Medtronic to the health care comparison for OPEB that we're presenting soon.
- MARY/CHUCK S: Prepare revised numbers based on current OPEB thinking.
- CHRIS/VAIBHAVI: Miles wants to know how many people who have retired over the past 5 years were under age 55. Please put together something that shows retirements by age categories -- 50-54; 55-59; 60-62; 63-65; 65+ and a total.
- CHRIS: Lois would like to know what % of the current actives will eventually retire with Abbott. Could we do something using our val runs to get at this? She doesn't want a lot of analysis -- just a rough %.
- DAVID: Miles asked for a ton of comparison information. The request was for a comparison of pharmaceuticals to industries that are prevalent where Abbott has a large number of employees. He specifically mentioned airlines, financial institutions, Kraft (and their comparator group), Motorola (and their comparator group). We need to talk with Grice and Lois about how we can do this most effectively/efficiently.
- MARY: Pull together prevalence information on DC/DB/trad'l FAP plans.
- CHUCK F: Are you comfortable with a budget of \$100,000 to get the changes and produce numbers for a statement?
- BRIAN: We used your \$650,000 budget in our initial estimates (plus we added in \$350,000 for 401(k) changes that won't happen....but let's leave that alone because they're going to need money for their actuary!). So that's what we have as a starting point.



0472DG15a.ppt = Presentation



0472HO4.ppt = Something we pulled together at the last minute yesterday to help Miles see how they compared

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# **EXHIBIT 7**



*Securing our*  
future>>>



Announcing Retiree Medical and  
Pension Plan Changes

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## A Message From Miles>>>

All across the country, rising health care costs and the impact of investment returns on pension plan funding are creating problems for companies and their employees.

Abbott is not immune to these pressures. Our benefits programs are superior, among the best in the industry. A long history of careful management has kept them strong. But, our own health care costs are rising. And, it is unlikely that we can expect the same levels of return on our pension investments as in the past. So, to keep our programs strong and to sustain them for the future, we are making necessary changes.

The need for these changes is framed by the cost of our benefits programs today.

2003 health care expenses for active and retired Abbott employees are projected to reach nearly \$400 million; and they continue to out-pace inflation. Since 2002, we have contributed an additional \$300 million in funding to our pension plan to ensure an adequate level of funding for pension benefits.

Over the course of our Long Range Plan, which extends through 2007, total benefit costs—not including Social Security and other federal programs—are expected to rise from roughly 25 percent of payroll to 38 percent of payroll, or approximately \$574 million in the U.S. alone.

To address this challenge, we have examined our benefits program with four goals in mind:

- >> Continue to offer a superior benefits package;
- >> Support our heritage of long service and provide incentives for employees to work a full career at Abbott;
- >> Reduce the company's cost increases to sustain our overall competitiveness, while maintaining affordability for employees; and
- >> Improve the performance of our benefits vendors, along with the programs, tools and services available to our employees.

These are difficult and sometimes competing objectives, but we hope that once you have examined the changes highlighted in this brochure you will agree that we are meeting them. In an era when many companies are severely reducing their benefits programs and sometimes simply dropping them altogether, we are pleased that Abbott is continuing to provide benefits that are among the very best in the industry.

Please take time to review this brochure carefully.

Sincerely,



Miles White

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# Retiree Health Care Benefits Changes >>>

Beginning January 1, 2004, the cost of retiree health care will increase.

How much more will depend on how many years of service you have at the time of retirement. For example, the contribution paid by an employee retiring with 35 years of service will be less than that of an employee retiring with 10 years of service.

**This new service-based retiree health care contribution approach applies to all retirements effective January 1, 2004, and later. Contributions for retirements occurring before January 1, 2004, will be administered under the current programs.**

## Why Are We Changing?

Employers like Abbott are seeing the rising costs of health care expenses directly impact the business. And, employees are experiencing increased out-of-pocket costs for health care services and higher monthly contributions. Many companies are making changes to their plans. Some are eliminating them altogether.

At Abbott, we want to keep a quality retiree health care program. These changes to our benefits program will help us manage the rising costs of health care and its impact on our business—and in the long run, the security we can offer our employees.

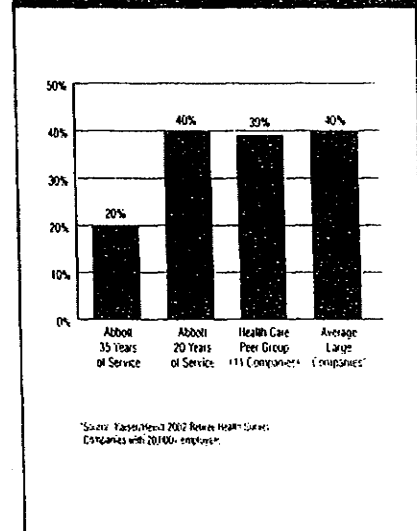
## What's Staying the Same?

- >> Abbott will continue to bear the largest share of total retiree medical costs.
- >> Current employees are still eligible for retiree medical coverage if they retire after age 50 and have worked at Abbott for at least 10 years.
- >> Retirees will still have access to similar types of medical plans as active employees.

### New Retiree Health Care Contributions Effective 1/1/04 >>>

Years of Service	Your Share of Total Premium	Years of Service	Your Share of Total Premium
10	60.0%	23	36.0%
11	58.0%	24	34.7%
12	56.0%	25	33.3%
13	54.0%	26	32.0%
14	52.0%	27	30.7%
15	50.0%	28	29.3%
16	48.0%	29	28.0%
17	46.0%	30	26.7%
18	44.0%	31	25.3%
19	42.0%	32	24.0%
20	40.0%	33	22.7%
21	38.7%	34	21.3%
22	37.3%	35	20.0%

### Retiree Cost-Sharing Comparisons—Prior to Age 65 >>>



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## A Preview of Pension Plan Changes >>>

As part of the current benefits programs review, we will be making changes to our pension plan. We are still working on the details of these changes, which we will send to you in November of this year. However, to address some potential basic concerns and potential questions, here is information we can share with you now.

### What's Not Changing

- >> **Abbott will still provide a pension plan**—We will not be eliminating our pension plan, and we will not be changing the overall design of our pension plan (e.g., several other companies have converted to a "cash balance" plan; Abbott is not).
- >> **Pension plan changes will affect only future benefits**—Pension benefits that you have already earned will not be affected.
- >> **The Stock Retirement Plan is not changing.**

### What We Know Will Change

- >> **Incentives to retire early will be reduced**—Our current pension plan design has very generous early retirement provisions. They are well beyond what is offered by even the largest employers. But we need the contributions of our employees for a full career. Changes to the pension plan design will reflect this objective.
- >> **The basic pension plan formula will be simplified and slightly reduced for future service only**—Again, what you have earned for prior service will not be affected.

### >> Eligibility for early retirement will change for new employees—

If you are a current employee, you will still be able to retire as early as age 50 with 10 years of service. For those joining Abbott on or after the effective date of these changes, early retirement will be available beginning at age 55.

### >> Changes in the pension plan will be effective January 1, 2004.

#### *How will these changes affect my retirement options?*

Abbott is committed to encouraging employees to make the company their long-term career choice. We value the important contributions individuals can make as experienced, long-service employees, and we need to retain critical talent and expertise over the coming years. So it's important to note that, on average, employees who work until age 62 will see less than a two percent reduction in their benefit.

Early retirement will result in a greater reduction. But even with this change, the average employee who retires as early as age 57 with 22 years of service could still realize retirement income of between 70 and 80 percent of final pay when combined with typical Stock Retirement Plan savings and Social Security.

You can shape both your pension and the amount you pay for retiree health care with your retirement choices. In general, working a longer career at Abbott will grow your retirement income and lessen your share of health care costs.



### How Do We Compare? >>>

The combination of our Pension and Stock Retirement Plan benefits remains superior to those of other large health care companies. Even with these changes, our total benefits package will be among the very best in any industry.

Look for more information on pension changes in November.

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## Securing Our Future >>>



A quality benefits program that supports all stages of your life is a top priority at Abbott. We base our standards on the following beliefs:

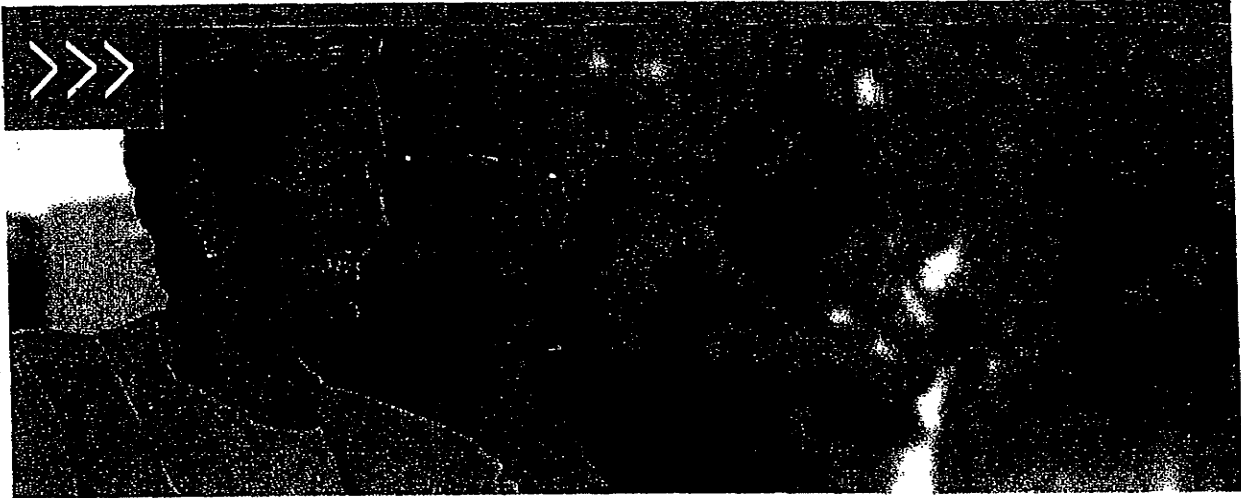
- >> You should have access to a strong, affordable benefits program with a variety of choices for your needs and those of your family.
- >> Our retirement benefits should provide an appropriate level of income to retirees who work a full career at Abbott, and a proportionately reduced benefit for employees who work less than a full career for the company.
- >> You need tools and information to help balance your personal and professional lives, and plan for the future.
- >> We must manage our benefits programs so that they are affordable and competitive for both employees and the business.

### Changing for the Future

In keeping with our beliefs and our commitment to providing you with a strong benefits program, we are making changes to ensure the long-term health of both the program and our company.

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## Looking Ahead>>>



### On-Line Pension Estimates Coming

We are currently developing a new Web-based tool that will allow you to get up-to-date pension estimates within minutes. This will be an easy-to-use interactive modeling tool, available 24 hours a day, 365 days a year, to assist you in developing your personal retirement strategy. You can model as many retirement dates as you choose. You'll get more information on this new feature of your program in November. This new tool will be available for employee use beginning in mid-January 2004.

**Please note:** Data transfer and installation of this system is very labor intensive. To ensure that this new tool is up and running as quickly as possible, we ask that retirement estimates be limited to those planning for retirement in 2003. All employees will be able to get personalized estimates under the new formula in January after the system is fully installed.

*These benefits do not apply to individuals employed outside of the United States or in Puerto Rico, except for certain designated transferred employees. These benefits also do not apply to certain other individuals such as employees covered by a collective bargaining agreement. Each plan or program has its own eligibility requirements. See your employee benefits handbook for details.*

*Abbott reserves the right to change or end its benefits plans or programs at any time, including those described in this and previous announcements. The preceding is not a summary of the plans or policies or a description of their key features or details. In case of any conflict or question, the official plan documents or applicable policies, as amended from time to time, will govern.*

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# **EXHIBIT 8**

**(Filed under seal)**

# **EXHIBIT 9**

**(Filed under seal)**

# **EXHIBIT 10**

**(Filed under seal)**