PFIZER INC
Form 11-K
June 28, 2010

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K
ANNUAL REPORT

Pursuant to Section 15 (d)

of the Securities Exchange Act of 1934

for the year ended December 31, 2009

Commission File Number: 1-3619

WYETH SAVINGS PLAN
(Full title of the Plan)

Pfizer Inc.
(Name of Issuer of the securities held pursuant to the Plan)

235 East 42nd Street
New York, New York 10017
(Address of principal executive office)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the members of the Savings Plan Committee have duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

WYETH SAVINGS PLAN

By: /s/ Neal Masia
Neal Masia
Member of the Savings Plan Committee

Dated: June 24, 2010

WYETH SAVINGS PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

AS OF DECEMBER 31, 2009 AND 2008

AND

FOR THE YEAR ENDED DECEMBER 31, 2009

EMPLOYER IDENTIFICATION NUMBER - 13-5315170

PLAN NUMBER - 020

WYETH SAVINGS PLAN
DECEMBER 31, 2009 AND 2008

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*Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Savings Plan Committee
Wyeth Savings Plan:

We have audited the accompanying statement of net assets available for plan benefits of the Wyeth Savings Plan (the “Plan”) as of December 31, 2009 and the related statement of changes in net assets available for plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying statement of net assets available for plan benefits of the Wyeth Savings Plan as of December 31, 2008 was audited by other auditors whose report thereon dated June 24, 2009 expressed an unqualified opinion on that statement.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2009 financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 2009 and the changes in net assets available for plan benefits for the year then ended, in conformity with U.S. generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Memphis, Tennessee

June 24, 2010

Wyeth Savings Plan
Statements of Net Assets Available for Plan Benefits
As of December 31, 2009 and 2008

	December 31, 2009	December 31, 2008
Assets:		
Investments, at fair value	$1,952,310,114	$1,414,454,724
Investment in Master Trust, at fair value	746,315,640	664,567,413
Total investments	2,698,625,754	2,079,022,137
Loans to participants, at amortized cost	41,957,526	44,866,182
Receivables:		
Employer contributions	771,728	-
Participant contributions	5,364,203	-
Accrued dividends and interest	-	14,665
Total receivables	6,135,931	14,665
Net Assets Available for Plan Benefits, at fair value	2,746,719,211	2,123,902,984
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(7,986,194)	38,132,893
Net Assets Available for Plan Benefits	$2,738,733,017	$2,162,035,877

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

Wyeth Savings Plan
Statement of Changes in Net Assets Available for Plan Benefits
For the Year Ended December 31, 2009

Additions to net assets attributed to:	
Investment income:	
Net appreciation in fair value of investments	$486,151,375
Net investment gain in Master Trust	30,149,602
Interest	4,830,836
Dividends	40,714,816
Total investment income	561,846,629
Contributions:	
Employer	43,097,906
Participant	161,482,929
Rollovers into Plan	9,568,610
Total contributions	214,149,445
Total additions	775,996,074
Deductions from net assets attributed to:	
Benefits paid to participants	(197,963,741)
Administrative expenses	(722,949)
Total deductions	(198,686,690)
Increase in net assets	577,309,384
Transfer out of the Plan	(612,244)
Net Assets Available for Plan Benefits	
Beginning of Year	2,162,035,877
End of Year	$2,738,733,017

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

WYETH SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Wyeth Savings Plan ("the Plan") only provides general information. Participants in the Plan should refer to the Plan document for a more detailed and complete description of the Plan's provisions.

General

On October 15, 2009, Pfizer Inc. ("the Company") acquired all of the outstanding equity of Wyeth. In connection with the acquisition, the Company adopted and assumed sponsorship of the Plan effective October 15, 2009.

The Plan, a defined contribution profit sharing plan, was approved and adopted by the Board of Directors of legacy Wyeth and became effective on April 1, 1985. Full-time and part-time (U.S. paid) employees of legacy Wyeth's U.S. company and its participating U.S. subsidiaries whose employment is not subject to a collective bargaining agreement ("non-union") are eligible to participate in the Plan after attaining age 21. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") and intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended ("the Code").

Contributions

Participants may elect to make contributions to the Plan in whole percentages up to a maximum of 50% of their covered compensation, as defined in the Plan. Contributions can be made on a before-tax basis ("salary deferral contributions"), an after-tax basis ("after-tax contributions"), or a combination of both. The Company will contribute an amount equal to 50% of the first 6% of the participant's covered compensation. Participants direct the investment of their contributions and Company contributions into various investment options offered by the Plan. Under the Code, salary deferral contributions, total annual contributions, and the amount of a participant's compensation that can be included for Plan purposes are subject to annual limitations; any excess contributions are refunded to the participant in the following year, if applicable. The Plan has an automatic enrollment feature for new employees at 3% of covered compensation invested in a lifecycle fund, one of the Fidelity Freedom Funds, appropriate for such employees' age. The automatic enrollment deferral percentage increases by 1% per year until it reaches 6%, unless the participant makes an election to change contributions or opt out of the Plan.

Rollovers into Plan

Participants may elect to roll over one or more account balances from qualified plans of other employers as well as from the Wyeth Retirement Plan into the Plan.

Vesting and Separation From Service

Participants are fully vested at all times in their salary deferral contributions, after-tax contributions and rollover contributions and all earnings (losses) thereon. Prior to October 15, 2009, a participant was also fully vested in Company matching contributions if the participant had at least five years of vesting service, as defined. If a participant had less than five years of continuous service, such participant became vested in the Company matching contributions and all earnings (losses) thereon according to the following schedule:

Years of Vesting Service	Vesting Percentage
1 year completed	0 %
2 years completed	25 %
3 years completed	50 %
4 years completed	75 %
5 years completed	100 %

Regardless of the number of years of vesting service, participants were fully vested in their Company matching contributions account upon reaching age 65 or upon death, if earlier. If an employee's employment was terminated prior to full vesting, the non-vested portion of the Company matching contributions and all earnings thereon was forfeited and became available to satisfy future Company matching contributions.

As of October 15, 2009, the Plan was amended to provide 100% vesting on all future Company matching contributions. (See Note 9)

Forfeited Amounts

During 2009, forfeitures of $680,000 were used to offset legacy Wyeth matching contributions. As of December 31, 2009 and 2008, the amount of forfeitures available to offset future Company matching contributions totaled $737,423 and $72,636, respectively.

Distributions

Participants may withdraw all or any portion of their after-tax contributions. Participants may make full or partial withdrawals of vested Company matching contribution and salary deferral contribution funds in any of their accounts upon attaining age 59½ or for financial hardship, as defined in the Plan document. Participants are limited to one quarterly non-hardship and one hardship withdrawal each year. Participants may qualify for financial hardship withdrawals if they have an immediate and heavy financial need, as determined by the Plan Administrator.

Upon termination of employment, participants are entitled to a lump-sum distribution of their vested account balance. Participants can elect to defer the distribution of their accounts if the participant's account balance is greater than $1,000.

Administrative Costs

Costs and expenses of administering the Plan are generally paid by the Company or the Plan. Certain investment expenses are deducted from the applicable investment funds. Participants are charged for loan application and maintenance fees.

Participant Loans

Participants who have a vested account balance of at least $2,000 may borrow from the vested portion of their account, subject to certain maximum amounts of up to $50,000. Participants in the Plan may borrow up to 50% of their vested account balances. Each loan is collateralized by the borrower's vested interest in their account balance. Participants may have outstanding up to four general purpose loans and one loan to acquire or construct a principal residence. All loans must be repaid within 5 years except for those used to acquire or construct a principal residence, which must be repaid within 15 years. Defaults on participants' loans during the year are treated as withdrawals and are fully taxable to the participants. The interest rate charged on loans provides a return commensurate with a market rate, or such other rate as permitted by government regulations as of the date of the loan agreement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting. Investments in collective trust funds that include fully benefit-responsive investment contracts are presented at fair value in the statement of net assets available for plan benefits, and the amount representing the difference between fair value and contract value of these investments is also presented on the face of the statement of net assets available for plan benefits. The statement of changes in net assets available for benefit plans is prepared on a contract value basis. Contract value is the relevant measurement attribute for that portion of the net assets available for plan benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

Contributions

Contributions from the employer are accrued based upon amounts required to be funded under the provisions of the Plan. Contributions from employees are accrued when deducted from payroll.

Participant Accounts

Each participant account is credited with the participant's contribution and allocation of investment earnings (losses) and Company contributions, and such accounts are charged with certain investment fees, depending on investment options. Allocations are based on earnings (losses) or account balance, as defined in the Plan document.

Payment of Benefits

Benefits are recorded when paid.

Reclassification

Certain amounts have been reclassified in the prior year in order to conform to current year presentation.

Investment Valuation and Income Recognition

Investments in common stocks are valued on quoted market value as of the last business day of the year. Investments in mutual funds are valued at the closing market price obtained from national exchanges of the underlying investments of the respective fund as of the last business day of the year. Investments in collective trust funds are recorded at fair value, which is based upon their published net asset value ("NAV") or their redemption value as determined by the trustees of such funds based upon the underlying securities stated at fair value. The fair value of the guaranteed investment contracts is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations. The fair value of the synthetic guaranteed investment contracts is determined by the fair value of the underlying assets. Interest bearing cash is valued at cost which approximates fair value.

Net appreciation (depreciation) in the fair value of investments consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments. Purchases and sales are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded as earned on the accrual basis.

The following table presents investments:

	December 31, 2009	December 31, 2008
Investments at Fair Value as Determined by Reported Net Asset Value or Quoted Market Price		
Mutual funds	$1,803,633,474	$1,132,294,515
Collective trust funds	41,261,459	38,827,086
Common stocks	140,268,711	273,468,019