

CORNING INC /NY
Form 11-K
June 11, 2010

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 11-K

- x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For fiscal year ended December 31, 2009

- .. TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File number 1-3247

- A. Full title of the plan and the address of the plan, if different from that of the issuer
named below:

THE CORNING INCORPORATED
INVESTMENT PLAN FOR UNIONIZED EMPLOYEES

- B. Name of issuer of the securities held pursuant to the plan and the address of its
principal executive office:

CORNING INCORPORATED
ONE RIVERFRONT PLAZA
CORNING, NY 14831

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Documents filed as part of this report:

- (a) Index to financial statements filed as part of this report:

The Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008, the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2009 and supplementary information, together with the report thereon of the Independent Registered Public Accounting Firm dated June 11, 2010. The required financial statement schedules, if any, are included in the supplementary information referred to above and should be read in conjunction with the above financial statements.

- (b) Exhibit:

Exhibit 23 – The consent of Insero & Company CPAs, P.C.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Corning Incorporated Benefits Committee has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

THE CORNING INCORPORATED
INVESTMENT PLAN FOR
UNIONIZED EMPLOYEES

Date: June 11, 2010

By /s/

DEBORAH G. LAUPER

Deborah G. Lauper

Chair

Corning Incorporated Benefits Committee

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*Other schedules required by Section 2520.103-10 of the United States 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.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Corning Incorporated Benefits Committee and
the Participants of the Corning Incorporated Investment Plan for Unionized Employees

We have audited the accompanying statements of net assets available for benefits of the Corning Incorporated Investment Plan for Unionized Employees (the "Plan") as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. 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 audits.

We conducted our audits in accordance with the auditing 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Corning Incorporated Investment Plan for Unionized Employees as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental 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 United States 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 audits 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.

Respectfully Submitted,

/s/ Inero & Company CPAs, P.C.
Certified Public Accountants

Rochester, New York
June 11, 2010

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Corning Incorporated Investment
 Plan for Unionized Employees
 Statements of Net Assets Available for Benefits
 December 31, 2009 and 2008

(in thousands of dollars)

	2009	2008
Assets		
Interest in Corning Incorporated Master Investment Trust at fair value	\$286,770	\$219,777
Loans to participants	6,872	7,150
Net assets available for benefits at fair value	293,642	226,927
Adjustment from fair value to contract value for interest in Corning Incorporated Master Investment Trust relating to fully benefit-responsive investment contracts	2,419	5,991
Net assets available for benefits	\$296,061	\$232,918

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

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Corning Incorporated Investment
Plan for Unionized Employees
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2009

(in thousands of dollars)

Additions to net assets attributed to:	
Investment income	
Plan's interest in the Corning Incorporated Master Investment Trust, Investment Income	\$70,749
Interest income from participant loans	421
	71,170
Contributions	
Employer, net of forfeitures	4,525
Participant	9,058
	13,583
Total additions	84,753
Deductions from net assets attributed to:	
Benefits paid directly to participants	(21,487)
Administrative expenses	(123)
Total deductions	(21,610)
Net increase	63,143
Net assets available for benefits	
Beginning of year	232,918
End of year	\$296,061

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

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Corning Incorporated Investment
Plan for Unionized Employees
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1. Description of Plan

General

The following brief description of the Corning Incorporated Investment Plan for Unionized Employees (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document and summary plan description for a more complete description of the Plan’s provisions.

The Plan is a defined contribution profit-sharing plan established in January 1984 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

Administration

The Plan is administered by the Corning Incorporated Benefits Committee (the “Benefits Committee”), which is appointed by either the Vice President of Human Resources or the Senior Vice President of Human Resources of Corning Incorporated (the “Company”). With the exception of matters relating to the Plan’s investment funds, the Benefits Committee administers the Plan in accordance with its terms and applicable laws and has all necessary and appropriate powers to carry out the provisions of the Plan.

The Investment Committee, appointed by the Board of Directors, is generally responsible for the investment funds under the Plan

Trustee and Recordkeeper

The Plan’s assets are held by JPMorgan Chase Bank, as trustee (the “Trustee”). The recordkeeper is Affiliated Computer Services, Inc.

Eligibility

The Plan covers all union represented employees of participating unions which contract with the Company. An employee is eligible for participation in the Plan upon reaching the age of 18 and completing one year of eligible service. Notwithstanding the foregoing, an employee who has attained age 18 and is scheduled on a normal basis to work at least 16 hours a week shall be immediately eligible. As of December 31, 2009, the union employees at the following locations participated in the Plan:

Blacksburg, Virginia	Erwin, New York
Canton, New York	Harrodsburg, Kentucky
Corning Valley, New York	Oneonta, New York
Danville, Virginia	Wilmington, North Carolina

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Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and charged for withdrawals and administrative expenses. Trustee and investment management fees are deducted from the earnings credited to participants' accounts. A flat monthly fee is charged to each participant's account to subsidize administrative expenses of the Plan and is determined by the plan administrator. Investment management fees are pro-rated among the investment funds as of the last business day of each month. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested balance.

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Company contributions to the Plan are fully vested after three years of service. All Company contributions become fully vested upon total and permanent disability, death or retirement.

Contributions – Employer

The Company makes matching contributions as a percentage of a participant's first 5% of eligible pay contributed according to years of service as of December 31 of the prior year as follows:

Less than 19 years of service	50%
19 but less than 24 years of service	75%
24 or more years of service	100%

With respect to all employees eligible to participate in the Plan, beginning in January of the year the participant is expected to reach ten years of vested service and irrespective of whether such employee has elected to contribute to the Plan, the Company contributes weekly or monthly (based on employee's pay frequency) a supplemental contribution to the Plan equal to 1.175% of such employee's eligible compensation.

Forfeiture balances of terminated participants' nonvested accounts are used to reduce future employer contributions to the Plan.

Contributions – Participants

Generally, participants may contribute up to 75% of their eligible compensation to the Plan on a before-tax basis, after-tax basis or any combination of the two.

The maximum amount a participant could contribute to the Plan on a before-tax basis in 2009 was \$16,500. The Plan permits employees who have attained age 50 or older during a given year to contribute additional before-tax amounts up to the prescribed Internal Revenue Code ("IRC") limitation for "catch-up contributions."

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Participants may elect, with the exception of the Corning Common Stock Fund, to have their contributions invested in the investment options listed below.

Stable Value Fund
Vanguard Total Bond Market Index Fund
Vanguard Inflation-Protected Securities Fund
Vanguard Balanced Index Fund
Vanguard Value Index Fund
Vanguard Institutional Index Fund
Fidelity Contrafund
T. Rowe Price Institutional Large-Cap Growth Fund
Vanguard Small-Cap Index Fund
Vanguard Mid-Cap Index Fund
Vanguard Explorer Fund
BlackRock MSCI ACWI ex-US Index Fund
Fidelity Diversified International Fund
Corning Common Stock Fund

Effective July 1, 2009, the Corning Common Stock Fund was closed to new investments. Contributions into the Corning Common Stock Fund were limited to 20% of a participant's contributions prior to July 1, 2009. Participants are allowed to transfer their accumulated contributions between Plan investment funds.

Administrative Expenses
Plan expenses can be paid by the Plan or the Company.

Payment of Benefits
Benefit payments are made upon retirement (i.e., at least age 55 with five years of service), or in the event of a participant's total and permanent disability, death or other termination of employment. A retired participant can elect to receive distributions in a lump sum, installments, or intermittent withdrawals. The Plan also provides for withdrawals by participants prior to termination.

Participant Loans
Participants are eligible to obtain loans from the Plan. Loans are limited to one loan per participant with a repayment term not to exceed 4.5 years, except for primary residence loans in which the term may not exceed ten years. The maximum amount of any loan is the lesser of one-half of the vested account balance or \$50,000 (with a \$1,000 minimum). The interest rate on a loan is established by the Benefits Committee. Participants are charged a fee on all loans, which reduces the loan proceeds.

2. Summary of Significant Accounting Policies

Basis of Accounting
The accompanying financial statements are prepared on the accrual basis of accounting.

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Corning Incorporated Investment
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Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods could differ from those estimates.

Basis of Allocation from the Corning Incorporated Master Investment Trust

The Plan has a specific interest in the Corning Incorporated Master Investment Trust (the “Master Trust”) in which another plan sponsored by the Company also participates. The Plan’s specific interest in the Master Trust is credited or charged for contributions, transfers and benefit payments relating to its participants. Realized gains and losses and changes in net unrealized appreciation or depreciation on investments, income from investments and expenses are allocated to the Plan based on the Plan’s specific interest in the net assets of the Master Trust. At December 31, 2009 and 2008, the Plan’s percentage interest in the net assets of the Master Trust were approximately 15%.

Valuation of Master Trust Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. See note 5 for further discussion of fair value measurements.

Interest is accrued by the Master Trust as earned, and dividends are recorded on the ex-dividend date.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is prescribed as the relevant measurement attribute for that portion of the net assets available for 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. The Plan invests in investment contracts through the Master Trust. The Statements of Net Assets Available for Benefits presents the fair value of the investment in the Master Trust as well as the adjustment of the investment in the Master Trust from fair value to contract value relating to investment contracts. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Purchases and sales of securities are recorded by the Master Trust on a trade-date basis. Realized gains and losses for security transactions are reported using the average cost method. Unrealized gains and losses represent the difference between the cost and fair value of securities. Net appreciation includes unrealized and realized gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

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Risks and Uncertainties

The Plan's investment securities are exposed to various risks, such as changes in interest rates, credit risks and market returns. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of these investments, it is at least reasonably possible that changes in valuations in the near term would materially affect participants' account balances and the amounts of such investments reported in the Plan's financial statements.

Participant Loans

Participant loans are