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Former CVS Caremark CEO left with \$58M pension

By TOM MURPHY

Former CVS Caremark Chairman and CEO Thomas M. Ryan headed into retirement last year with a \$58.5 million pension payment and \$33.7 million from stock and option awards, according to a regulatory filing from the drugstore chain and pharmacy benefits manager.

Ryan also received compensation valued at \$3.4 million last year, according to an Associated Press analysis of the Woonsocket, R.I., company's proxy statement filed recently with the Securities and Exchange Commission. The former executive stepped down as CEO in March 2011 and left his post as chairman a couple of months later.

Ryan, 59, had served as CEO since 1994 and chairman since 1998. He oversaw the drugstore chain's \$26.5 billion acquisition of pharmacy benefits manager Caremark in 2007. He also helped expand the company's operations into the South, West Coast and Midwest with acquisitions.

CVS Caremark said last year that Ryan would take his pension benefit in a lump sum of more than \$58 million when he retired. That benefit accumulated over his 36-year career with the company.

Ryan made \$33.7 million last year from exercised stock options restricted stock awards that had vested. CVS Caremark spokeswoman Carolyn Castel said some of the restricted stock vested when Ryan retired, and he had to exercise some of the options because he would lose them if he did not.

Aside from those totals, Ryan also received a \$546,154 salary from CVS Caremark, a performance-related bonus of \$2.3 million and \$591,148 in other compensation. That included the salary of an executive assistant for five years.

It also included \$75,000 for five years of financial planning tied to his retirement.

Ryan's successor as CEO, Larry J. Merlo, 56, received compensation valued at about \$12 million last year.

CVS Caremark runs the second-largest chain of drugstores in the U.S., after Walgreen, and its Caremark unit is one of the largest PBMs. The company earned \$3.46 billion, or \$2.59 per share, on \$107.1 billion in revenue in 2011. Its