

BECTON DICKINSON & CO
Form 11-K
December 13, 2011
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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

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

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

For the fiscal year ended June 30, 2011

OR

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

For the transition period from _____ to _____

Commission file number 1-4802

BECTON, DICKINSON AND COMPANY SAVINGS INCENTIVE PLAN

(FULL TITLE OF THE PLAN)

BECTON, DICKINSON AND COMPANY

(NAME OF ISSUER OF SECURITIES HELD PURSUANT TO THE PLAN)

1 Becton Drive
Franklin Lakes, New Jersey
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICER)

(201) 847-6800
(TELEPHONE NUMBER)

07417-1880
(ZIP CODE)

1. FINANCIAL STATEMENTS AND SCHEDULES.

The following financial data for the Plan are submitted herewith:

Report of Independent Registered Public Accounting Firm

Statements of Net Assets Available for Benefits as of June 30, 2011 and 2010

Statement of Changes in Net Assets Available for Benefits for the year ended June 30, 2011

Notes to Financial Statements

Schedule H, Line 4(i) Schedule of Assets (Held at End of Year)

2.1 EXHIBITS.

See Exhibit Index for a list of Exhibits filed or incorporated by reference as part of this report.

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ANNUAL REPORT ON FORM 11-K

FINANCIAL STATEMENTS AND

SUPPLEMENTAL SCHEDULE

Becton, Dickinson and Company

Savings Incentive Plan

Years Ended June 30, 2011 and 2010

With Report of Independent Registered Public Accounting Firm

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Annual Report on Form 11-K

Becton, Dickinson and Company

Savings Incentive Plan

Financial Statements and Supplemental Schedule

Years Ended June 30, 2011 and 2010

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Report of Independent Registered Public Accounting Firm

We have audited the accompanying statements of net assets available for benefits of the Becton, Dickinson and Company Savings Incentive Plan as of June 30, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended June 30, 2011. 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 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. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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 Plan at June 30, 2011 and 2010, and the changes in its net assets available for benefits for the year ended June 30, 2011, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of June 30, 2011, is presented for purposes of additional analysis and is not a required part of the 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 our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

New York, New York

December 13, 2011

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Statements of Net Assets Available for Benefits

	June 30	
	2011	2010
Assets		
Investments at fair value:		
Becton, Dickinson and Company Common Stock (4,033,526 shares and 4,683,204 shares, respectively)	\$ 347,568,935	\$ 316,678,254
Common collective trusts:		
S&P 500 Index Securities Lending Series Fund Class I	203,848,593	154,651,591
S&P MidCap Index Non-lending Series Fund Class A	152,743,418	104,809,681
State Street Short-Term Investment Fund	520,266	274,555
SsgA Global All Cap Equity Ex-U.S. Index Securities Lending Series Fund Class I	81,035,186	60,356,718
SSgA Enhanced U.S. Small Cap Blend Securities Lending Series Fund Class I	70,138,091	44,042,637
BlackRock Life Path Retirement	49,528,390	40,666,698
BlackRock Life Path 2020	122,459,138	87,985,651
BlackRock Life Path 2030	50,620,440	32,988,714
BlackRock Life Path 2040	30,908,517	19,687,402
BlackRock Life Path 2050	4,288,819	1,386,433
Investment contracts	436,981,781	421,579,252
Total investments	1,550,641,574	1,285,107,586
Notes receivable from participants	32,312,069	30,918,348
Interest receivable	1,360	1,001
Other	925,177	641,030
Cash and cash equivalents	22,547,387	22,238,915
Total assets	1,606,427,567	1,338,906,880
Liabilities		
Payable for investment purchases	570,695	
Investment management fees payable	308,169	286,516
Total liabilities	878,864	286,516
Net assets available for benefits, reflecting investments at fair value	1,605,548,703	1,338,620,364
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(21,242,695)	(22,289,760)
Net assets available for benefits	\$ 1,584,306,008	\$ 1,316,330,604

See notes to financial statements.

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Becton, Dickinson and Company

Savings Incentive Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended June 30, 2011

Additions:	
Participants contributions	\$ 76,973,642
Rollover contributions	6,720,221
Company contributions	31,457,058
Interest income	17,905,006
Dividends	6,943,486
	139,999,413
Deductions:	
Distributions to participants	122,717,688
Administrative expenses and other	1,670,645
	124,388,333
Net appreciation in fair value of investments	252,364,324
Net increase in net assets available for benefits	267,975,404
Net assets available for benefits at beginning of year	1,316,330,604
Net assets available for benefits at end of year	\$ 1,584,306,008

See notes to financial statements.

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Becton, Dickinson and Company

Savings Incentive Plan

Notes to Financial Statements

June 30, 2011

1. Significant Accounting Policies

Basis of Accounting

The accounting records of the Becton, Dickinson and Company Savings Incentive Plan (the Plan) are maintained on the accrual basis of accounting.

Cash and Cash Equivalents

The Plan considers all highly-liquid investments with a maturity of 90 days or less when purchased to be cash equivalents.

Benefit Payments

Benefit payments are recorded when paid.

Administrative Expenses

Investment management fees, brokerage fees, commissions, stock transfer taxes, and other expenses related to each investment fund are paid out of the respective fund. Other expenses, such as trustee fees, and other administrative expenses are shared by Becton, Dickinson and Company (the Company) and the Plan.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expenses when they are incurred. No allowance for credit losses has been recorded as of June 30, 2011 or 2010. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan is reduced and a benefit payment is recorded.

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Becton, Dickinson and Company

Savings Incentive Plan

Notes to Financial Statements (continued)

1. Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Fair Value of Investments

Investments held by the Plan are stated at fair value. Fair value is defined as 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 (an exit price). See Note 4 for further discussion and disclosures related to fair value measurements.

Recent Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs*, (ASU 2011-04). ASU 2011-04 amended ASC 820, *Fair Value Measurements and Disclosures*, to converge the fair value measurement guidance in US generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures [although certain of these new disclosures will not be required for nonpublic entities]. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

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Becton, Dickinson and Company

Savings Incentive Plan

Notes to Financial Statements (continued)

1. Significant Accounting Policies (continued)

In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurements*, (ASU 2010-06). ASU 2010-06 amended Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* (ASC 820) to clarify certain existing fair value disclosures and require a number of additional disclosures. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each class of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2 and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, the guidance in ASU 2010-06 is effective for reporting periods beginning after December 15, 2009. Since ASU 2010-06 only affects fair value measurement disclosures, adoption of ASU 2010-06 did not affect the Plan's net assets available for benefits or its changes in net assets available for benefits.

2. Description of the Plan

General

The Plan is a defined contribution plan established for the purpose of encouraging and assisting employees in following a systematic savings program and to provide an opportunity for employees, at no cost to themselves, to become shareholders of Becton, Dickinson and Company. Full-time and part-time employees of Becton, Dickinson and Company and certain of its domestic subsidiaries are eligible for participation in the Plan on the first enrollment date coincident with or next following their date of hire. Becton, Dickinson and Company is the sponsor of the Plan.

Eligible employees who are members of the Plan can authorize a payroll deduction for a contribution to the Plan in an amount per payroll period equal to any selected whole percentage of pay from 2% to 20%. In August 2011 the maximum was increased to 60% of pay. For purposes of the Plan, total pay includes base pay, overtime compensation, commissions and bonuses paid.

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Becton, Dickinson and Company

Savings Incentive Plan

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

Pre-tax contributions are subject to annual Internal Revenue Code limitations of \$16,500 plus a catch-up contribution of \$5,500 for participants age 50 and older for 2011 and 2010.

Individual employee contributions of up to 6% of total pay are eligible for a matching Company contribution. The Board of Directors of the Company may, within prescribed limits, establish, from time to time, the rate of Company contributions. For fiscal 2011 the Plan has authorized the Company to make bi-weekly contributions to the Plan in an amount equal to 75% of eligible employee contributions during said period less any forfeitures.

Employee contributions can be in either before-tax (401(k)) dollars or after-tax dollars or a combination of both. Employee contributions in before-tax dollars result in savings going into the Plan before most federal, state or local taxes are withheld. Taxes are deferred until the employee withdraws the 401(k) contributions from the Plan.

Participating employees are not liable for federal income taxes on amounts earned in the Plan or on amounts contributed by the Company until such time that their participating interest is distributed to them. In general, a participating employee is subject to tax on the amount by which the distribution paid to the employee exceeds the amount of after-tax dollars the employee has contributed to the Plan.

Employee contributions are invested, at the option of the employee, in any of the available funds in 1% increments.

State Street Bank & Trust Company (State Street Bank) is the Plan's Trustee. State Street Global Advisors (SSgA) is the investment manager of the S&P 500 Index Securities Lending Series Fund Class I, the S&P MidCap Index Non-Lending Series Fund Class A, the Short-Term Investment Fund, the Enhanced U.S. Small Cap Blend Securities Lending Series Fund Class I, the Global All Cap Equity Ex-U.S. Index Securities Lending Series Fund Class I, and the Becton, Dickinson and Company Common Stock Fund. Invesco Advisors, Inc. is the investment manager of the Synthetic GICs and BlackRock is the investment manager of the Life Path Retirement Fund, Life Path 2020 Fund, Life Path 2030 Fund, Life Path 2040 Fund, and Life Path 2050 Fund. Collectively these are the funds of the Plan (Funds).

The assets of the Company Common Stock Fund are invested in shares of the Company's common stock. Effective March 23, 2009 the Board of Directors approved a resolution such that a participant whose Company stock fund balance is 10% or less of their total Plan balance may

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Notes to Financial Statements (continued)

2. Description of the Plan (continued)

not elect to invest more than 10% of future contributions in the Company stock fund, and a participant whose Company stock fund balance is greater than 10% of their total Plan balance may not elect to invest any future contributions in the Company stock fund. However, if a participant's balance was greater than 10% of their total Plan balance, as of the effective date, July 30, 2009, the funds do not need to be reallocated. The Trustee has advised that its present intention is to purchase the Company's common stock exclusively on the open market. Contributions to the Company Common Stock Fund are comprised of both employee contributions, as well as employer matching contributions.

Any portion of the Funds, pending permanent investment or distribution, may be held on a short-term basis in cash or cash equivalents. The State Street Short-Term Investment Fund is a holding account and represents funds received awaiting allocation to an investment fund.

The Plan also has loan provisions whereby employees are allowed to take loans on their vested account balances. Loans originating during a year bear a fixed rate of interest which is set quarterly. Total loans to a participant cannot exceed the lesser of 50% of the participant's vested balance or \$50,000. Employees are required to make installment payments at each payroll date. The outstanding balance of a loan becomes due and payable upon an employee's termination. Should an employee, upon termination, elect not to repay the outstanding balance, the loan is canceled and deemed a distribution under the Plan.

The Plan provides for vesting in employer matching contributions based on years of service as follows:

Full Years of Service	Percentage
Less than 2 years	0%
2 years but less than 3 years	50%
3 years but less than 4 years	75%
4 years or more	100%

Table of Contents**Becton, Dickinson and Company****Savings Incentive Plan**

Notes to Financial Statements (continued)

2. Description of the Plan (continued)

Participants may become fully vested on the date of termination of employment by reasons of death, retirement or disability, or attainment of age 65. Participants may be partially vested under certain conditions in the event of termination of employment or participation in the Plan for any other reason. Non-vested Company contributions forfeited by participants are applied to reduce future Company contributions. Participants contributions are always 100% vested. Unallocated forfeitures balances as of June 30, 2011 and 2010 were approximately \$325,000 and \$180,000, respectively. For the year ended June 30, 2011, forfeitures used to reduce employer matching contributions were \$829,438.

The Board of Directors of the Company reserves the right to terminate, modify, alter or amend the Plan at any time and at its own discretion, provided that no such termination, modification, alteration or amendment shall permit any of the funds established pursuant to the Plan to be used for any purpose other than the exclusive benefit of the participating employees. The right to modify, alter or amend includes the right to change the percentage of the Company's contributions.

Plan Termination

Although it has not expressed any interest to do so, the Company has the right under the Plan to discontinue its contributions at any time and terminate the Plan subject to ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

3. Investments

During 2011, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated in fair value as determined by quoted market prices as follows:

Becton, Dickinson and Company Common Stock	\$ 83,570,113
SSgA S&P 500 Index Securities Lending Series Fund Class I	47,085,238
SSgA S&P MidCap Index Non-Lending Series Fund Class A	41,546,137
SSgA Global All Cap Equity Ex-U.S. Index Securities Lending Series Fund Class I	18,917,310
SSgA Enhanced U.S. Small Cap Blend Securities Lending Series Fund Class I	20,019,072
BlackRock Path Retirement	6,210,872
BlackRock Life Path 2020	19,352,791
BlackRock Life Path 2030	8,956,818
BlackRock Life Path 2040	6,114,541
BlackRock Life Path 2050	591,432
	\$ 252,364,324

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Becton, Dickinson and Company

Savings Incentive Plan

Notes to Financial Statements (continued)

4. Fair Value Measurements

ASC 820, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three Levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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Becton, Dickinson and Company

Savings Incentive Plan

Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used to need to maximize the use of observable inputs and minimize the use of unobservable inputs.

There have been no changes in the valuation methodologies used for assets measured at fair value at June 30, 2011 as described below.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common collective trusts: Valued at the net asset value of shares held by the Plan at year end.

Cash equivalents: Comprised of investments in an institutional money market fund that permits daily redemption, the fair value of which is based upon the quoted price in active markets provided by the financial institution managing this fund.

Company common stock: Valued at the closing price reported on the active market in which the security is traded.

Investment contracts: Comprised of Synthetic Guaranteed Investment Contracts, or Synthetic GICs, the fair value of which is equal to the total of the fair value of the underlying assets (units of various trust funds that hold high quality fixed-income securities) plus the total rebid value of related benefit-responsive insurance wrappers.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2011. During fiscal year 2011 there were no significant transfers of assets between levels 1, 2 and 3.

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Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

	Assets at Fair Value as of June 30, 2011			Total
	Level 1	Level 2	Level 3	
Common collective trusts:				
U.S. equities (a)	\$	\$ 426,730,102	\$	\$ 426,730,102
Non-U.S. equities (b)		81,035,186		81,035,186
Target retirement date funds (c)		257,805,304		257,805,304
Cash equivalents	520,266			520,266
Company common stock	347,568,935			347,568,935
Investment contracts		436,851,515	130,266	436,981,781
Total investments	\$ 348,089,201	\$ 1,202,422,107	\$ 130,266	\$ 1,550,641,574

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2010.

	Assets at Fair Value as of June 30, 2010			Total
	Level 1	Level 2	Level 3	
Common collective trusts:				
U.S. equities (a)	\$	\$ 303,503,909	\$	\$ 303,503,909
Non-U.S. equities (b)		60,356,718		60,356,718
Target retirement date funds (c)		182,714,898		182,714,898
Cash equivalents	274,555			274,555
Company common stock	316,678,254			