

AETNA INC /PA/  
Form 11-K  
June 28, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 11-K  
(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-16095

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

Aetna 401(k) Plan

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

Aetna Inc.  
151 Farmington Avenue  
Hartford, Connecticut 06156

#### REQUIRED INFORMATION

1. Financial Statements and Schedules (and Notes thereto)
2. Consent of Independent Registered Public Accounting Firm to Incorporation By Reference (attached)

#### SIGNATURES

Aetna 401(k) Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrators have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Aetna 401(k) Plan

Date: June 28, 2018 By: /s/ Kay D. Mooney  
Name: Kay D. Mooney  
Title: Vice President, Employee Benefits



AETNA 401(k) PLAN

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Note: The following schedules are required by Section 103 of the Employee Retirement Income Security Act of 1974, but have not been included as they are not applicable:

☒ Schedule of Investment Assets (Both Acquired and Disposed of Within the Plan Year)

☒ Schedule of Reportable Transactions

☒ Nonexempt Transactions

☒ Schedule of Loans or Fixed Income Obligations in Default or Classified as Uncollectible

☒ Schedule of Leases in Default or Classified as Uncollectible

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Report of Independent Registered Public Accounting Firm  
To the Plan Participants and Plan Administrator

Aetna 401(k) Plan:

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of the Aetna 401(k) Plan (the Plan) as of December 31, 2017 and 2016, the related statement of changes in net assets available for benefits for the year ended December 31, 2017, and the related notes (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the year ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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 are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Accompanying Supplemental Information

The supplemental information in the accompanying Schedule H, line 4i Schedule of Assets (Held at End of Year) as of December 31, 2017 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/KPMG LLP

We have served as the Plan's auditor since 1976.

Hartford, Connecticut  
June 28, 2018

## AETNA 401(k) PLAN

## Statements of Net Assets Available for Benefits

December 31, 2017 and 2016

	2017	2016
Assets:		
Investments:		
Investment at fair value in the Aetna 401(k) Master Trust	\$6,688,004,970	\$5,520,493,278
Investment at contract value in the Aetna 401(k) Master Trust	1,688,830,442	1,781,139,863
Total investments	8,376,835,412	7,301,633,141
Participant loans	165,013,677	165,907,972
Receivables:		
Employer contributions	12,914,237	13,220,212
Employee contributions	6,747,888	7,194,056
Total receivables	19,662,125	20,414,268
Net assets available for benefits	\$8,561,511,214	\$7,487,955,381

See accompanying notes to Financial Statements.

AETNA 401(k) PLAN  
Statement of Changes in Net Assets  
Available for Benefits  
Year ended December 31, 2017

Additions to assets	
attributed to:	
Investment income:	
Income from investment in Aetna 401(k) Master Trust (note 3)	\$1,278,309,976
Interest income from participant loans	7,278,033
Contributions:	
Participant	334,956,228
Employer	196,281,592
Total contributions	531,237,820
Total additions	1,816,825,829
Deductions:	
Benefits paid to participants	739,805,930
Administrative expenses	3,464,066
Total deductions	743,269,996
Net increase	1,073,555,833
Net assets available for benefits:	
Beginning of year	7,487,955,381
End of year	\$8,561,511,214

See accompanying notes to Financial Statements.

AETNA 401(k) PLAN  
Notes to Financial Statements  
December 31, 2017 and 2016

(1) Description of Plan

The following description of the Aetna 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

The Plan, a participant-directed defined contribution plan, is a voluntary savings plan that provides retirement income to eligible employees who are U.S. employees, employed by Aetna Inc. (the Company) or a participating company. The Company's Benefits Finance Committee oversees the appropriateness of the Plan's investment offerings, and monitors investment performance. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Administration

The Plan has multiple investment options for eligible employees. The Plan's record keeper is Voya Institutional Plan Services, LLC (Voya IPS). The trustee of the Plan is State Street Bank and Trust Company (SSBT). The Company has a master trust agreement with SSBT and established the Aetna 401(k) Master Trust (Master Trust). The Master Trust serves as the funding vehicle for the Plan. Each participating retirement plan has a divided interest in the individual assets of the Master Trust based upon participant direction. Currently, the Plan is the only participant in the Master Trust.

(c) Contributions

Qualified Automatic Contribution Arrangement

The Company includes a qualified automatic contribution arrangement in the Plan. New and rehired employees are automatically enrolled in the Plan at a 3% pretax contribution rate unless the employee chooses a different rate or opts out of participation. Auto-enrolled participants will have the automatic rate escalator feature enabled, which will automatically increase the pretax contribution rate by 1% each year to a maximum of 10% of eligible pay. To the extent that no investment election is made, contributions will be invested in the Target Retirement Fund that most closely matches the participant's Social Security full retirement age. Participants may choose to change their contribution rate or reallocate their contributions among other investment funds available in the Plan.

Participant Contributions

Employees may elect to contribute 1% to 40% of their eligible pay on a pretax basis and/or on an after-tax basis as a Roth 401(k) contribution. Participants who are not highly compensated employees may also contribute 1% to 5% of their eligible pay on an after tax basis as a traditional (non-Roth account) contribution.

Eligible participants may contribute both pretax and Roth 401(k) contributions up to a combined maximum of \$18,000 in both 2017 and 2016 in accordance with the Internal Revenue Code (IRC) qualified retirement plan limits.

Employees age 50 and older are allowed to make an additional pretax contribution or Roth 401(k) contribution, or both, to the Plan over and above the Internal Revenue Service (IRS) plan limits. The maximum amount allowed for catch up contributions was \$6,000 for both tax years ended December 31, 2017 and 2016, respectively.

Lastly, participants may contribute amounts representing eligible rollover distributions from eligible retirement plans. These rollover amounts are considered to be participant contributions.

AETNA 401(k) PLAN  
Notes to Financial Statements  
December 31, 2017 and 2016

Employer Contributions

Participants are immediately eligible to receive a 100% employer company match contribution on the first 6% of eligible pay contributed to the Plan on a combined pretax and Roth 401(k) basis. The matching contributions are made in cash and invested according to each participant's investment elections.

Participant pretax contributions and employer contributions, and earnings thereon, are not taxed until withdrawal. Participants may elect to make a Roth in plan conversion. Contributions are funded after each bi weekly payroll cycle.

(d) Participant Investment Elections

Participants may direct their investment contributions and employer contributions among twenty-two investment options offered by the Plan. The twenty-two investment options currently offered include eight investment funds, eleven target retirement funds, Stable Value Option (SVO), Aetna Common Stock Fund, and a Self-Directed Brokerage Account. Participants are allowed to change their investment options subject to certain restrictions. The Company or an investment fund in the Plan may impose restrictions on the frequency of transfer from one investment fund to another or a limit on the investment percentage allowed for a particular fund. For example, participant elections to invest in the Aetna Common Stock Fund are limited by the Plan to no more than 20% of the participant's account balance.

(e) Participant Accounts

On a bi weekly basis, each contributing participant's account is credited with the participant's contribution and the Company match. Earnings on investments are allocated based on account balances and are credited daily. Investment fund earnings are net of expenses.

(f) Vesting

Participants are immediately vested in their deferral contributions and Company's matching contributions plus actual earnings thereon.

(g) Participant Loans

Participants may borrow at a minimum \$1,000 from their Plan account up to the lesser of \$50,000 or 50% of the current value of their vested account balances. The loans are secured by the participant's vested account balance and bear interest at prime plus 1% at the time granted. A \$50 per loan origination fee is charged to participants upon withdrawal. The amounts held for loans receivable are stated at amortized cost. Principal and interest is paid ratably through monthly payroll deductions. As of December 31, 2017 and December 31, 2016 interest rates on loans outstanding range from 3.25% to 10.50%.

(h) Payment of Benefits

On termination of service, a participant with a vested account greater than \$5,000 may elect to take a lump sum distribution or roll over their account balance to another qualified plan or Individual Retirement Account (IRA), or may defer payment to a later date. Participants with a vested interest of \$5,000 or less may elect to take a lump sum distribution or roll over their account balance to another qualified plan or IRA. Participants who do not make an election with balances ranging from \$1,000 to \$5,000 will automatically have their balances rolled over to a Voya Individual Retirement Account. Participants who do not make an election with balances under \$1,000 will automatically receive a lump sum distribution.



AETNA 401(k) PLAN  
Notes to Financial Statements  
December 31, 2017 and 2016

(i) Participant Forfeitures

Forfeitures that occur may vary from year to year depending upon various Plan activities such as forfeited accounts transferred to the Plan from acquired companies, and vesting rules regarding former performance based match programs. If a participant terminates employment without being fully vested, any unvested Company contributions (and earnings thereon) will be forfeited in accordance with the Plan's terms. As of December 31, 2017 and 2016, forfeited nonvested accounts totaled approximately \$81 and \$6, respectively. These forfeitures were or will be used to reduce future employer contributions or to offset plan expenses. In 2017 and 2016, forfeited nonvested accounts offset employer contributions by \$151,758 and \$1,259,379, respectively. Forfeitures are invested in the SVO fund (for additional information refer to note 5).

(j) Employee Stock Ownership Plan

The portion of the Plan invested in the Aetna Common Stock fund is designated as an employee stock ownership plan (ESOP). Under the ESOP, a participant can elect to receive, in cash, dividends that are paid on stock in the Aetna Common Stock Fund or reinvest in the Aetna Common Stock Fund. If no election is made, dividends are automatically re-invested in the Aetna Common Stock Fund.

(2) Summary of Accounting Policies

(a) Basis of Presentation

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Investments held by the Plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for that portion of the net assets available for benefits 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.

(b) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities in these financial statements and accompanying notes. Accordingly, actual results may differ from reported results using those estimates.

(c) Investment Valuation and Income Recognition

Plan assets are held in the Master Trust, which is maintained by SSBT, the trustee. The Master Trust investments with the exception of Stable Value Option investments, are stated at fair value which is 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. The Master Trust investments, investment returns, and plan expenses are allocated to participating plans based on the underlying equity of each plan in each investment fund administered through the Master Trust. All investment allocations are participant-directed.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments represents both realized and unrealized gains and losses. Refer to note 4, Fair Value Measurement, for further information related to the valuation of Master Trust investments.

AETNA 401(k) PLAN  
Notes to Financial Statements  
December 31, 2017 and 2016

(d) Plan Expenses

Investment management and advisory fees are reported in net appreciation of fair value of investments.

Administrative expenses relating to plan administration, trustee, accounting and legal fees are charged based on a percentage of the Plan's assets and allocated to each of the investment options.

(e) Payment of Benefits

Benefits are recorded when paid. Benefit amounts due to participants are not reflected as liabilities but as a component of net assets available for benefits.

(f) Future Application of Accounting Standards

Recognition and Measurement of Financial Assets and Financial Liabilities

Effective January 1, 2018, the Plan adopted amended accounting guidance related to the recognition and measurement of financial assets and financial liabilities. The new guidance revised certain disclosures regarding financial assets and liabilities. The adoption of this new guidance will not have a material impact on the Plan's financial position or operating results.

Employee Benefit Plan Master Trust Reporting

Effective January 1, 2019, the Plan will adopt amended accounting guidance related to disclosure requirements for employee benefit plans that hold interests in master trust. The new guidance clarifies presentation requirements and will require more detailed disclosures of the plan's interest in the master trust. The adoption of this new guidance is not expected to have a material impact on the Plan's financial position or operating results.

(3) Investments in Master Trust

The Plan's proportionate interest in the investments held by the trustee is 100% at December 31, 2017 and December 31, 2016, respectively. The following is financial information with respect to the Master Trust (excluding participant loans):

	As of December 31,	
	2017	2016
Investments, at fair value:		
Common/collective trusts	\$5,485,090,760	\$4,600,931,640
Employer common stock	1,144,635,702	866,271,483
Money market funds and self-directed accounts	60,256,988	53,290,153
Net receivable/(payable)	(1,978,480	) 2
Total investments, at fair value	\$6,688,004,970	\$5,520,493,278
Investments, at contract value:		
Stable value option (note 5)	1,688,830,442	1,781,139,863
Net investments of Master Trust allocated to the Plan	\$8,376,835,412	\$7,301,633,141

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AETNA 401(k) PLAN  
Notes to Financial Statements  
December 31, 2017 and 2016

During 2017, the investments held by the trustee (including investments bought, sold, as well as held during the year) appreciated in value as follows:

2017

Net appreciation of investments	\$ 1,259,098,810
Interest	8,849,955
Dividends	11,613,493
Other income\ (loss)	4,519,870
net investment income	1,284,082,128

Master Trust expenses	(5,772,152 )
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Net investment income to the Master Trust	\$ 1,278,309,976
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Allocated Plan income from investment in Master Trust	\$ 1,278,309,976
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#### (4) Fair Value Measurements

The Plan has adopted the guidance in ASC 820, Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurement. The fair values of the Plan's financial assets are based on valuations that include inputs that can be classified within one of three levels of a hierarchy established by GAAP. The following are the levels of the hierarchy and a brief description of the type of valuation information (inputs) that qualifies a financial asset or liability for each level:

- Level 1 - Unadjusted quoted prices for identical assets in active markets.

- Level 2 - Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates, and credit risks) and inputs that are derived from or corroborated by observable markets.

- Level 3 - Developed from unobservable data, reflecting management's own assumptions.

When quoted prices in active markets for identical assets are available, management uses these quoted market prices to determine the fair value of financial assets and classifies these assets as Level 1. In other cases where a quoted market price for identical assets in an active market is either not available or not observable, management estimates fair values using valuation methodologies based on available and observable market information. These financial assets would then be classified as Level 2. If quoted market prices are not available, management determines fair

value using an analysis of each investment's financial performance. In these instances, financial assets may be classified in Level 3 even though there may be some significant inputs that may be observable.

The following is a description of the valuation methodologies used for the Plan's financial assets measured at fair value:

Common/Collective Trusts - Common/collective trusts invest in other collective investment funds otherwise known as the underlying funds. The Plan's interest in the common/collective trust funds are based on the fair values of the underlying investments of the underlying funds. The underlying assets consist of U.S. Treasury, agency, corporate, mortgage backed, commercial mortgage backed and asset backed securities, U.S. and international stocks, bonds and cash and cash equivalents. Investments in collective trust funds are valued at fair value based on their respective net asset value per share/unit on the valuation date.

AETNA 401(k) PLAN  
Notes to Financial Statements  
December 31, 2017 and 2016

Investments in all common collective trust funds can be redeemed at the current net asset value based on the fair value of the underlying assets. There are no withdrawal limits, redemption frequency limits or redemption notice periods. There were no unfunded commitments for these investments as of December 31, 2017 or 2016.

Money Market Funds - Investments in money market funds are stated at fair value, which approximates amortized cost because the underlying investments are comprised of short term, highly liquid investments.

Employer Common Stock and Self Directed Brokerage Account - Units in the Aetna Common Stock Fund are presented at fair value plus value of cash. Quoted market prices are used to value investments in Aetna common stock and investments in the self-directed brokerage account.

The Master Trust investments with changes in fair value that are measured on a recurring basis at December 31, 2017 and 2016 are as follows:

	2017			
	Level 1	Level 2	Level 3	Total
Assets:				
Common/collective trusts	\$—	\$5,485,090,760	\$—	—\$5,485,090,760
Money market funds	—	17,540,855	—	17,540,855
Self directed brokerage account	42,716,133	—	—	42,716,133
Employer common stock	1,144,635,702	—	—	1,144,635,702
Total	\$1,187,351,835	\$5,502,631,615	\$—	—\$6,689,983,450

	2016			
	Level 1	Level 2	Level 3	Total
Assets:				
Common/collective trusts	\$—	\$4,600,931,640	\$—	—\$4,600,931,640
Money market funds	—	16,752,183	—	16,752,183
Self directed brokerage account	36,537,972	—	—	36,537,972
Employer common stock	866,271,483	—	—	866,271,483
Total	\$902,809,455	\$4,617,683,823	\$—	—\$5,520,493,278

There were no transfers between levels 1 and 2 during the years ended December 31, 2017 and 2016. Additionally, there were no transfers into or out of level 3 during the years ended December 31, 2017 and 2016.

(5) Stable Value Option (SVO)

The SVO holds investments in fully benefit responsive investment contracts. The SVO is comprised of six synthetic guaranteed investment contracts (Synthetic GICs), one guaranteed investment contract (GIC) and one insurance

separate account contract (Separate Account) that provide stable value guarantees in addition to a cash and cash equivalent account; these contracts are collectively managed by Invesco Advisers, Inc. (INVESCO). As of December 31, 2017 and 2016, issuers of the Synthetic GICs and Separate Account contracts were Pacific Life Insurance Company, Prudential Insurance Company of America (Prudential), RGA Reinsurance Company, Transamerica Premier Life Insurance Company, Voya Retirement Insurance & Annuity Company and New York Life Insurance Company. These contracts are supported by investment portfolios holding a diversified mix of high quality, publicly traded, fixed income securities. As of December 31, 2017 and 2016, the investment sub advisors responsible for managing these investments with INVESCO were Blackrock Financial Management, Inc., Voya Investment Management, Jennison Associates, PIMCO, Goldman Sachs and New York Life. Prudential issued the GIC contract which was first effective in 2016. The interest rates generated by the

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AETNA 401(k) PLAN  
 Notes to Financial Statements  
 December 31, 2017 and 2016

Synthetic GICs, Separate Account, GIC and the cash and cash equivalent account were blended together to determine the following quarterly SVO rate credited to participant accounts:

	2017	2016
January	2.00%	2.05%
– March		
April	2.15%	2.10%
– June		
July –	2.35%	2.10%
September		
October		
-	2.40%	2.15%
December		

The SVO is presented at contract value on the Statements of Net Assets Available for Benefits and fair value on Schedule H, line 4i. The fair value of the Synthetic GICs, Separate Account and GIC equals the total of the fair value of the underlying assets plus the total wrap rebid value. The fair value of the cash and cash equivalent account equals the contract value.

The SVO contract value represents the participant’s principal balance plus accrued interest. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are currently no reserves against contract values for credit risk of the contract issuers or otherwise.

Certain events limit the ability of the Plan to transact at contract value with the investment advisors. Such events include the following: (i) amendments to the plan documents (including complete or partial plan termination or merger with another plan); (ii) changes to plan’s prohibition on competing investment options or deletion of equity wash provisions; (iii) bankruptcy of the plan sponsor or other plan sponsor events (e.g. divestitures or spin offs of a subsidiary) which cause a significant withdrawal from the Plan or (iv) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that the occurrence of any such event, which would limit the Plan’s ability to transact at contract value with participants, is probable.

The Synthetic GIC, Separate Account and GIC contracts do not permit the investment advisors to terminate the agreement prior to the scheduled maturity date.

The Master Trust’s valuation policies are consistent with industry standards for fully benefit-responsive investment contracts and utilize information provided by the investment advisers, custodians and insurance company.



AETNA 401(k) PLAN  
Notes to Financial Statements  
December 31, 2017 and 2016

The following tables present the contract value and issuer rating for all Synthetic GIC, Separate Account and GICs held in the Master Trust at December 31, 2017 and 2016:

	2017		2016	
	Investments	Investments	Investments	Investments
Contract issuer and contract number	Issuer at contract	Issuer at contract	Issuer at contract	Issuer at contract
Transamerica Premier Life Insurance Co. Contract MDA00728TR RGA Reinsurance Co. Contract RGA00060 Voya Retirement Insurance & Annuity Co. Contract 60363-C Voya Retirement Insurance & Annuity Co. Contract 60363-D New York Life Insurance Co. Contract GA-29016 Prudential Insurance	rating	value	rating	value
Transamerica Premier Life Insurance Co. Contract MDA00728TR RGA Reinsurance Co. Contract RGA00060	AA-	\$255,271,638	AA-	\$279,892,266
Voya Retirement Insurance & Annuity Co. Contract 60363-C	AA-	216,269,236	AA-	218,072,807
Voya Retirement Insurance & Annuity Co. Contract 60363-D	A	250,301,979	A	241,643,889
New York Life Insurance Co. Contract GA-29016	A	168,440,495	A	180,520,108
New York Life Insurance Co. Contract GA-29016	AAA	253,906,467	AAA	253,370,860
Prudential Insurance	AA-	247,428,030	AA-	251,258,220

Co. of America Contract GA-62273 Prudential Insurance	AA-	30,149,500	AA-	30,111,933
Co. of America Contract GA-63750 Pacific Life Insurance	AA-	238,970,870	AA-	242,316,766
Co. G-027330.01.001 SSGA Prime Fund State Street Government	—	—	NR	83,953,014
Short Term Investment Fund	NR	28,092,227	—	—
Total		\$1,688,830,442		\$1,781,139,863

**(6) Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. The Plan's trust shall be continued, however, as long as the trustee deems it to be necessary for the effective discharge of any remaining duties of the Plan. Participants will receive their account value (at fair market value) after allocation of interest, dividends, gains, losses and expenses.

**(7) Tax Status**

The IRS has determined and informed the plan administrator by a letter dated February 3, 2016, that the Plan and related trust are designed in accordance with applicable sections of the IRC. Since receiving the determination letter, the plan administrator and the Plan's ERISA counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believe that the Plan is qualified and the related trust is tax-exempt.

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2014.



AETNA 401(k) PLAN  
 Notes to Financial Statements  
 December 31, 2017 and 2016

(8) Related Party Transactions and Party-In-Interest Transactions

Certain investments in the Master Trust are managed by State Street Global Advisors Trust Company (State Street), a subsidiary of SSBT. SSBT is the Plan Trustee as defined by the Plan and, therefore, these investments constitute party-in-interest transactions.

The Master Trust invests in the Aetna Common Stock Fund, which consists primarily of the Plan Sponsor's own common stock, and therefore, the Master Trust's investments in the Aetna Common Stock Fund constitute party-in-interest transactions.

The Master Trust's SVO includes two Voya Retirement Insurance & Annuity Company insurance contracts. Voya IPS is the Plan recordkeeper. Both entities are owned by Voya Financial, Inc. and, therefore, these transactions constitute party-in-interest transactions.

As discussed in note 1(g) the Plan allows Plan participants, who are "Parties-In-Interest" to the Plan as defined by ERISA, to borrow from their participant accounts.

(9) Employer Contribution Receivable

At December 31, 2017 and 2016, a contribution receivable of \$9,506,775 and \$9,729,903 was recorded to accrue for year-end employer matching contributions for certain employees whose pretax deferrals had not been made proportionately over the course of the year, respectively.

Accrued employer matching contributions for the days remaining after the last pay cycle of the year totaled \$3,407,462 and \$3,490,309 at December 31, 2017 and 2016, respectively.

(10) Employee Contribution Receivable

Accrued participant contributions for the days remaining after the last pay cycle of the year totaled \$6,747,888 and \$7,194,056 at December 31, 2017 and 2016, respectively.

(11) Reconciliation of Financial Statements to Form 5500

The following are reconciliations of amounts reported in the financial statements to amounts reported on Form 5500, Schedule H as of December 31, 2017 and 2016:

	2017	2016
Net assets available for benefits	\$8,561,511,214	\$7,487,955,381
per the financial statements		
Amounts allocated to withdrawing participants	(4,664,743 )	(5,954,656 )
Adjusted from contract value to fair value for	2,088,747	24,038,576

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 adjustment  
 from  
 contract  
 value  
 to (2,949,829 ) (5,905,590 )  
 fair  
 value  
 for  
 fully  
 benefit-responsive  
 investment  
 contracts  
 Net \$1,071,895,917 \$675,619,775  
 income

per  
Form  
5500

Benefits  
paid  
to  
participants  
per  
the  
financial  
statements

\$739,805,930      \$459,478,434

Net  
change  
in  
amounts  
allocated

(1,289,913      ) (174,578      )

to  
withdrawing  
participants  
Benefits  
paid  
to  
participants  
per  
Form  
5500

\$718,516,017      \$459,303,856

AETNA 401(k) PLAN  
Notes to Financial Statements  
December 31, 2017 and 2016

Amounts allocated to withdrawing participants are recorded as a liability on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date. Also, investments are recorded at fair value on the Form 5500 and at fair value (with an adjustment from fair value to contract value) on the accompanying financial statements.

(12) Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

(13) Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were issued June 28, 2018 and determined there were no other items to disclose.

AETNA 401(k) PLAN  
 SUPPLEMENTAL SCHEDULE  
 Schedule H, Line 4i – Schedule of Assets (Held at End of  
 Year)  
 December 31, 2017  
 EIN: 23-2229683 Plan# 004

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value	(d) Cost**	(e) Current value
*	State Street Global Advisors Trust Company	Investment in Aetna 401(k) Master Trust Participant loans; various maturity dates and interest rate	—	\$8,397,924,159
*	Participant Loan Fund	ranges: 3.25% – 10.50%, maturities ranging from 1 year to 28 years	—	165,013,677
			—	\$8,562,937,836

\* Party in interest  
 Historical cost is not  
 \*\* required as all investments are participant-directed.

See accompanying report of independent registered public accounting firm.





Exhibits

Exhibits to this Form 11-K are as follows:

INDEX TO EXHIBITS

23.1 Consent of Independent Registered Public Accounting Firm

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