PERKINELMER INC
Form 11-K
June 28, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 5(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2010

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 5(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number 001-5075

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

PerkinElmer, Inc. Savings Plan

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

PerkinElmer, Inc.

940 Winter Street

Waltham, Massachusetts 02451

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PERKINELMER, INC. SAVINGS PLAN

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Compensation and Benefits Committee

PerkinElmer, Inc. Savings Plan

Waltham, Massachusetts

We have audited the accompanying statements of net assets available for benefits of PerkinElmer, Inc. Savings Plan (the Plan) as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years 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 audits.

We conducted our audits in accordance with 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. The Plan is not required to have, nor were we engaged to perform, an audit of its 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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted 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, 2010, 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 schedule is the responsibility of the Plan s management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2010 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts

June 28, 2011

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PERKINELMER, INC. SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2010 AND 2009

	2010	**2009**
ASSETS:		
Investments participant-directed at fair value	$ 389,589,277	$ 340,720,573
Employer contributions receivable	174,713	617,081
Notes receivable from participants	6,340,014	5,702,383
Net assets available for benefits at fair value	396,104,004	347,040,037
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY BENEFIT-RESPONSIVE STABLE-VALUE FUND	(846,931)	1,098,214
NET ASSETS AVAILABLE FOR BENEFITS	$ 395,257,073	$ 348,138,251

See notes to financial statements.

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PERKINELMER, INC. SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
INVESTMENT INCOME:		
Net appreciation in fair value of investments	$ 38,407,584	$ 56,859,364
Interest and dividend income	5,180,416	5,178,059
Net investment income	43,588,000	62,037,423
Interest income on notes receivable from participants	333,644	377,723
CONTRIBUTIONS:		
Participant contributions	20,814,441	20,616,327
Employer contributions	11,029,115	11,003,188
Rollover contributions	3,476,183	2,712,571
Total contributions	35,319,739	34,332,086
Total additions	79,241,383	96,747,232
DEDUCTIONS:		
Benefits paid to participants	32,092,380	25,162,478
Administrative expenses	30,181	28,463
Total deductions	32,122,561	25,190,941
INCREASE IN NET ASSETS	47,118,822	71,556,291
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	348,138,251	276,581,960
End of year	$ 395,257,073	$ 348,138,251

See notes to financial statements.

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PERKINELMER, INC. SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

1. DESCRIPTION OF THE PLAN

The following description of the PerkinElmer, Inc. Savings Plan (the Plan), as in effect on December 31, 2010, is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General The Plan is a defined contribution plan covering substantially all domestic employees of PerkinElmer, Inc. (the Company) who are not members of a collective bargaining unit or who are members of a unit that specifically provides for participation in the Plan. The Plan also covers employees of each wholly owned domestic subsidiary that has entered into an agreement to adopt the Plan. The Plan is administered by an administrative committee (the Plan administrator), which has overall responsibility for interpreting the provisions of the Plan and providing the trustee with any information required in the discharge of its duties. Fidelity Management Trust Company (FMTC) serves as the trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions Participation in the Plan is voluntary. As defined in the Plan, eligibility commences the date the employee completes an hour of service for the Company. Participants may elect to make voluntary before-tax or Roth 401(k) contributions of up to 100% of their eligible compensation subject to statutory limits. In order to maintain the Plan s status as nondiscriminatory, the contribution amounts for highly compensated employees may be limited. Participants age 50 or over may be eligible to make additional contributions, subject to certain limitations. In addition, participants may elect to make after-tax contributions up to 16% of their eligible compensation, subject to certain limitations. Participants may also contribute amounts distributed to them by other qualified benefit plans.

The timing and amount of Company matching contributions are made based on the respective business unit for which the participant performs/performed services. Depending on the business unit, Company matching contributions are made on either a per-pay-period basis or on an annual basis for all active participants and for participants who have terminated during the year due to death, permanent disability or retirement. Annual matching contributions are made as of December 31. Matching contributions are either in an amount equal to 100% of the first 5% of compensation or in an amount equal to 55% of the first 6% of compensation that a participant contributes to the Plan. The Plan was amended as of January 1, 2009, so that all employees, other than those eligible for the defined benefit plan, will receive matching contributions of 100% of the first 5% of compensation up to applicable Internal Revenue Service (IRS) limits. Employees eligible for the defined benefit plan will continue to receive matching contributions of 55% of the first 6% of compensation. The Plan has been further amended so that following February 1, 2011, all eligible participants will receive matching contributions of 100% of the first 5% of compensation up to applicable IRS limits. As defined in the Plan, the Company may make supplemental contributions at its discretion. There were no supplemental contributions made during 2010 or 2009.

Participant Accounts Individual accounts are maintained for each Plan participant. Each participant s account is credited with the participant s contribution, the Company s matching contribution, supplemental contributions, allocations of Plan earnings, and are charged with an allocation of Plan losses and administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

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Vesting and Forfeitures Participants are vested immediately in their voluntary contributions plus actual earnings thereon. Vesting in the Company s contribution portion of participants account is based on years of continuous service for certain participants and the respective business unit for which the participant performs/performed services. Participants are either immediately 100% vested in all Company contributions or become 100% vested in the Company s contribution portion after three years of credited service.

In addition, if a participant terminates employment due to death, disability or retirement, as defined in the Plan, his or her account balance becomes 100% vested. At December 31, 2010 and 2009, forfeited nonvested accounts totaled $96,599 and $116,304, respectively. Forfeited balances of terminated participants are used to reduce future Company contributions or to pay reasonable administrative expenses of the Plan. The Company s contribution was reduced by nonvested forfeitures of $100,466 and $139,308 for the years ended December 31, 2010 and 2009, respectively.

IDS Participants In connection with the Company s divestiture of its IDS business in November 2010, the Plan was amended to provide that IDS participants who remained employed through the sale would be fully vested and would receive matching contributions attributable to their contributions and compensation through the transaction date.

Investments Participants direct the investment of their contributions and Company contributions into various investment options offered by the Plan. The Plan currently offers several mutual funds, common collective trust funds and Company stock as investment options for participants.

Participant Loans Participants may borrow from their fund accounts from a minimum of $1,000 up to a maximum of $50,000 or 50% of their vested account balances, whichever is less. The loans are secured by the balance in the participant s account and bear interest at rates fixed for the term of the loan by the administrative committee based on interest rates currently being charged by commercial lending institutions. The period of repayment for any loan is determined by the participant, but in no event shall that period exceed 60 months, unless the loan is used to purchase a principal residence, in which case, a longer payment period is permitted. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits Upon termination of service, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. Benefit payments to participants are recorded upon distribution.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 net assets available for benefits and changes therein. Actual results could differ from those estimates.

Risks and Uncertainties The Plan utilizes various investment instruments including common stock, mutual funds, and common collective trust funds. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Investment Valuation and Income Recognition The Plan s investments are carried at fair value. Fair value of a financial instrument 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 Company s common stock is valued at the closing price reported on the New York Stock Exchange on the last business day of the Plan year. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. The units of common collective trust funds are stated at fair value as determined by the issuer of the fund, Fidelity Management and Research Company (FMR Co.), based on the fair value of the underlying investments. The stable value portfolio is stated at fair value and then adjusted to contract value as described below. Fair value of the stable value portfolio is the net asset value of its underlying investments, and contract value is principal plus accrued interest.

In accordance with GAAP, the stable value portfolio is included at fair value in participant-directed investments in the statements of net assets available for benefits, and an additional line item is presented representing the adjustment from fair value to contract value. The statement of changes in net assets available for benefits is presented on a contract value basis.

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.

Investment Management Fees and Operating Expenses Management fees and operating expenses charged to the Plan for investments in the mutual funds and common collective trust funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Notes Receivable from Participants Participant loans are required to be classified as notes receivable from participants (rather than investments) and are measured at their unpaid principal balance plus any accrued but unpaid interest at the end of the period. Delinquent participant loans are recorded as distributions based on the terms of the Plan document.

Payment of Benefits Payments to participants are recorded upon distribution.

Administrative Expenses Administrative expenses of the Plan may be paid by either the Plan or the Company, as provided in the Plan document.

New Accounting Standards

ASU No. 2010-06, Fair Value Measurements and Disclosures In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, *Fair Value Measurements and Disclosures*, which amends Accounting Standards Codification Topic (ASC) 820, *Fair Value Measurements and Disclosures*, adding new disclosure requirements for Levels 1 and 2, separate disclosures of purchases, sales, issuances, and settlements relating to Level 3 measurements and clarification of existing fair value disclosures. ASU No. 2010-06 was effective for periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. The Plan prospectively adopted the new guidance in 2010, except for the Level 3 reconciliation disclosures, which are required in 2011. The adoption of this guidance in 2010 did not materially affect, and the future adoption of the remainder of the guidance is not expected to materially affect, the Plan s financial statements.

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ASU No. 2010-25, Reporting Loans to Participants by Defined Contribution Pension Plans In September 2010, the FASB issued ASU No. 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*. The ASU requires that participant loans be classified as notes receivable rather than a plan investment and measured at unpaid principal balance plus accrued but unpaid interest rather than fair value. The Plan retrospectively adopted the new accounting in 2010. The adoption did not have a material effect on the Plan s financial statements.

3. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. In accordance with ASC 820, the Plan classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables set forth by level within the fair value hierarchy a summary of the Plan s investments measured at fair value on a recurring basis at December 31, 2010 and 2009.

In accordance with the update to ASC 820, the tables below include the major categorization for debt and equity securities on the basis of the nature and risk of the investments at December 31, 2010 and 2009 (in thousands). The Plan had no Level 3 investments at December 31, 2010 and 2009.

			2010
	Active Markets for Identical Assets (Level 1)	**Other Observable Inputs (Level 2)**	**Total**
PerkinElmer common stock	$ 10,937	$	$ 10,937
Mutual funds:			
Domestic stock funds	149,823		149,823
International stock fund	64,942		64,942
Fixed income funds	34,407		34,407
Cash and other	19,906		19,906
Total mutual funds	269,078		269,078
Common collective trust funds:			
Stable-value fund		85,771	85,771
Commingled portfolio		23,803	23,803
Total common collective trust funds		109,574	109,574
Total	$ 280,015	$ 109,574	$ 389,589

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	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	2009 Total
PerkinElmer common stock	$ 8,417	$	$ 8,417
Mutual funds:			
Domestic stock funds	140,176		140,176
International stock fund	42,410		42,410
Fixed income funds	27,997		27,997
Cash and other	12,990		12,990
Total mutual funds	223,573		223,573
Common collective trust funds:			
Stable-value fund		87,409	87,409
Commingled portfolio		21,322	21,322
Total common collective trust funds		108,731	108,731
Total	$ 231,990	$ 108,731	$ 340,721

For the year ended December 31, 2010, there were no significant transfers in or out of Levels 1, 2, or 3.

The valuation methods as described in Note 2 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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 tables set forth additional disclosures of the Plan s investments whose fair value is estimated using a net asset value (NAV) as of December 31, 2010 and 2009:

	Fair Value Estimated Using Net Asset Value per Share December 31, 2010				
Investment	Fair Value *	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Equity index funds (a):					
Domestic stock funds	$ 20,994,659	$	Daily	None	None
Cash and other	2,808,809		Daily	None	None
Stable value fund (b)	85,770,996		Daily	None	None
Total	$ 109,574,464	$			

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Investment	Fair Value *	Fair Value Estimated Using Net Asset Value per Share December 31, 2009 Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Equity index funds (a):					
Domestic stock funds	$ 19,040,199	$	Daily	None	None
Cash and other	2,281,412		Daily	&nb	