

AETNA INC /PA/
Form 8-K
December 03, 2004

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

December 3, 2004

Aetna Inc.

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of incorporation)

1-16095

(Commission
File Number)

23-2229683

(I.R.S. Employer Identification
No.)

151 Farmington Avenue, Hartford, CT

(Address of principal executive offices)

06156

(Zip Code)

Registrant's telephone number, including area code:

(860) 273-0123

Former name or former address, if changed since last report:

Not applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Section 1 Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

This Form 8-K is to describe ordinary course director compensation actions taken by the Board of Directors of Aetna Inc.

On December 3, 2004, the Board of Directors voted to approve the director compensation package that will apply for non-management directors for 2005. The Board decided to maintain the total value of target cash and equity compensation at approximately \$205,000, which is approximately equal to the target compensation for 2004, and the median of a relevant comparative group. Cash retainer and per meeting fees for Board and Committee service will remain at 2004 levels, although the retainer for service as Audit Committee Chairman was raised to \$15,000. Total compensation for a non-management director may be higher or lower than the target level depending on the number of meetings held, the Committees on which the director serves, and their service as Committee Chairman.

Of total target compensation for 2005, approximately 57% will consist of stock based compensation (restricted and deferred stock units), approximately 29% will consist of Board and Committee cash retainers and meeting fees, approximately 11% will consist of benefits, primarily the estimated value of the director charitable award program, and approximately 3% will consist of deferred compensation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AETNA INC.

Date: December 3, 2004

By: */s/ Ronald M. Olejniczak*

Name: Ronald M. Olejniczak

Title: Vice President and Controller