

WHIRLPOOL CORP /DE/
Form 11-K
June 29, 2005
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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, 2004

OR

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

For the transition period from _____ to _____

Commission file number 1-3932

WHIRLPOOL 401(k) PLAN

Full title of plan:

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

WHIRLPOOL CORPORATION

Administration Center

2000 North M-63

Benton Harbor, MI 49022-2692

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FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Whirlpool 401(k) Plan

Years Ended December 31, 2004 and 2003

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Whirlpool 401(k) Plan

Financial Statements and Supplemental Schedule

Years Ended December 31, 2004 and 2003

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Report of Independent Registered Public Accounting Firm

The Trustees

Whirlpool 401(k) Plan

We have audited the accompanying statements of assets available for benefits of the Whirlpool 401(k) Plan as of December 31, 2004 and 2003, and the related statements of changes in 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 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 audit 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 assets available for benefits of the Plan at December 31, 2004 and 2003, and the changes in its assets available for benefits for the years then ended, 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 December 31, 2004, 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.

ERNST & YOUNG LLP

May 11, 2005

Chicago, Illinois

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Whirlpool 401(k) Plan

Statements of Assets Available for Benefits

	December 31	
	2004	2003
Contributions receivable:		
Employer	\$ 13,075,042	\$ 14,207,693
Participant	4,664,606	5,087,025
Investments at fair value:		
Mutual funds	535,248,336	454,208,282
Common and collective funds	218,826,143	219,296,210
Common stock of Whirlpool Corporation	102,053,370	104,476,286
Brokerage accounts	4,123,533	
Participant loans	42,840,353	49,387,310
Total investments	903,091,735	827,368,088
Assets available for benefits	\$ 920,831,383	\$ 846,662,806

See accompanying notes.

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Whirlpool 401(k) Plan

Statements of Changes in Assets Available for Benefits

	Years Ended December 31	
	2004	2003
Additions		
Dividends on Whirlpool Corporation common stock	\$ 2,586,751	\$ 2,372,671
Other dividend income	7,789,368	4,324,864
Interest income	11,590,729	10,704,330
	<u>21,966,848</u>	<u>17,401,865</u>
Employer contributions	13,075,042	14,208,662
Participant contributions	59,096,633	56,424,348
Rollover contributions	2,578,485	2,614,442
	<u>74,750,160</u>	<u>73,247,452</u>
Total additions	96,717,008	90,649,317
Deductions		
Benefit payments	67,057,557	48,781,020
Administrative expenses	200,067	265,814
Total deductions	67,257,624	49,046,834
Net realized and unrealized appreciation (depreciation) in fair value of investments:		
Whirlpool Corporation common stock	(4,885,241)	38,922,159
Mutual funds	47,773,481	89,723,886
Common and collective funds	1,442,177	8,673,149
Other	378,776	
	<u>44,709,193</u>	<u>137,319,194</u>
Net increase	74,168,577	178,921,677
Assets available for benefits:		
Beginning of year	846,662,806	667,741,129
End of year	<u>\$ 920,831,383</u>	<u>\$ 846,662,806</u>

See accompanying notes.

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Whirlpool 401(k) Plan

Notes to Financial Statements

Years Ended December 31, 2004 and 2003

1. Description of Plan

The Whirlpool 401(k) Plan (the Plan) is a defined-contribution plan sponsored by Whirlpool Corporation and participating subsidiaries (referred to as Employer, Plan Sponsor, or Whirlpool). The following description of the Plan provides only general information. Participants should refer to the Whirlpool 401(k) Plan Summary Plan Description for a more complete description of the Plan's provisions.

Eligibility

Essentially all U.S.-based full-time and part-time employees of Whirlpool are eligible to participate upon employment. Participation in the Plan is voluntary. The Plan allows each participant to make tax-deferred contributions to the Plan, by payroll deduction, each payroll period, in any whole percentage of eligible earnings up to 50% (15% for highly compensated employees), but not to exceed the maximum allowable annual contribution, as determined by the Internal Revenue Code (IRC). Participants who have attained age 50 by the end of the Plan year are eligible to make catch-up contributions subject to the limitations of Section 414(v) of the IRC. Such elections are made and can be adjusted on a daily basis by giving notice to the custodian via the voice response system, the Internet website, or the customer service representative, to be effective, in most cases, as of the beginning of the next payroll period. In addition, certain employees may make additional tax-deferred contributions to the Plan by directing a portion of any annual bonus due to the participant, of one or more designated bonus plans, be deposited into the Plan. The amount of any such additional tax-deferred contributions may be elected by the employee to equal the same percentage of any annual bonus payment as is applied for payroll deduction purposes or in any whole percentage between 0% and 75%, as the participant elects, provided, however, that the deduction percentage applicable to a participant who is a highly compensated participant may not exceed 15%.

Contributions and Vesting

Each year, the Employer establishes performance goals. Performance is measured in terms of annual balanced scorecard measures as determined by the Whirlpool Board of Directors. The attainment of these goals results in an Employer matching contribution based on the tax-deferred contributions of each employee that do not exceed 5% of the employee's eligible earnings. Regardless of performance, the Employer will make a guaranteed matching contribution of \$0.25 per dollar that eligible employees contribute to the Plan. The matching contribution was \$0.38 per dollar of eligible employees' contributions for 2004 and \$0.43 for 2003, up to 5% of compensation. Employer matching contributions and tax-deferred contributions are 100% vested at all times. Participants who terminate employment during the year are not eligible for Employer matching contributions unless the termination is due to the participant's retirement, death, disability, or a reduction in work force.

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Whirlpool 401(k) Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Participants may direct employee contributions to one or a combination of several fund alternatives offered by the Plan. Employer matching contributions are initially invested in the Whirlpool ESOP Plan, but may subsequently be transferred to another investment fund in accordance with provisions of the Plan. Additionally, as of July 1, 2004, a self-directed brokerage account was offered whereby participants can choose from investments outside the Plan's fund line-up in which to invest a portion of their account. Special contribution, loan, distribution, withdrawal, and fee allocation rules apply to self-directed brokerage accounts.

Benefit Payments

On termination of service, a participant with an account balance of \$5,000 or less will receive a single lump-sum distribution equal to the value of his or her account. Participants with account balances exceeding \$5,000 can elect to receive a lump-sum distribution or may elect a monthly installment option. Monthly installments are paid over a period of time not to exceed 9 years and 11 months.

Participant Accounts

Deposits and withdrawals from each investment fund and transfers among investment funds are made at the direction of the participants. The Employer is responsible for determining that such transactions are in accordance with the Plan.

Income, including market value adjustments, under each of these funds is allocated to the participants' accounts daily based on each participant's equity in the fund. Self-directed brokerage accounts are segregated accounts within the trust fund and are treated for investment purposes as an investment of the account of the participant who has the self-directed brokerage account.

The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Plan investments are made in the manner specified in the trust agreement and in accordance with the stated investment policies of the respective funds. To the extent monies available for investment are not immediately invested, as provided in the investment policy of each fund, such monies are temporarily invested in short-term income investments. All investments are made in light of a continuing evaluation of economic and market conditions that may cause such investment policy to vary from time to time.

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Whirlpool 401(k) Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Loans

The Plan provides for loans to participants in amounts up to the lesser of \$50,000 or 50% of a participant's account balance, with a minimum loan amount of \$500. Such loans are allocated to a separate loan account and treated for investment purposes as an investment of the account of the participant who received the loan.

Plan Termination

Although the Employer has not expressed any intent to terminate the Plan, it is free to do so at any time subject to the provisions of the IRC and the Employee Retirement Income Security Act of 1974.

2. Significant Accounting Policies

Investments Held by the Trust

All the investments of the Plan are held by the trust. The custodian invests all assets of the trust except as follows: (i) the trustees direct the investment of the Whirlpool ESOP Plan; and (ii) the trustees may direct that a specified percentage of the assets credited to any or all of the investment fund or funds be allocated to one or more separate accounts within said investment fund and invested in accordance with the direction of the trustees or an investment manager designated by the trustees.

Contributions, loan distributions and repayments, and benefit payments are specifically identified to the fund or funds within the trust to which assets of the Plan are credited. Except with respect to self-directed brokerage accounts, which are segregated accounts, investment income and related expenses of the trust are allocated to the investment funds based on each investment fund's proportionate share of the current value of the trust assets daily.

Effective February 22, 2002, the Whirlpool Stock Fund was converted to an Employee Stock Ownership Plan and renamed the Whirlpool ESOP Plan. On a quarterly basis, participants have the option to reinvest dividends in additional shares of Whirlpool stock in the Whirlpool ESOP Plan

or receive a cash payout. All dividends continue to be 100% vested.

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Whirlpool 401(k) Plan

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Investment Valuation

Whirlpool common stock is valued at the last reported sales price on a national securities exchange on the last business day of the Plan year. The fair value of the participation units and shares owned by the Plan in the common and collective funds and mutual funds is based on quoted redemption or market values on the last business day of the Plan year. Participant loans are stated at their outstanding balances, which approximate fair value.

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.

Administrative Expenses

In general, Plan expenses, except for broker commissions, self-directed brokerage account fees, portfolio transaction fees, and investment management fees (all of which are paid by participants), are paid by Whirlpool.

Use of Estimates

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

3. Investments

The fair value of individual investments that represent 5% or more of the Plan's assets is as follows:

	December 31	
	2004	2003
Putnam Stable Value Fund	\$ 181,301,046	\$ 170,243,408
Putnam Voyager Fund	113,963,512	121,456,128
Whirlpool Corporation common stock	102,053,370	104,476,286
Neuberger & Berman Genesis Fund	88,343,824	64,968,423
TCW Galileo Select Equity I/Concentrated	56,595,633	*
EuroPacific Growth Fund	53,858,444	*
Vanguard Windsor II Fund Admiral Class	47,033,390	*
Putnam Asset Allocation Balanced Fund		49,329,378
Putnam New Opportunities Fund		48,547,697

* Did not meet the 5% threshold.

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Whirlpool 401(k) Plan

Notes to Financial Statements (continued)

4. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated May 1, 2002, stating that the Plan is qualified under section 401(a) of the IRC and that the related trust is exempt from taxation. Subsequent to this letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator believes that the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

5. Risks 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 assets available for benefits.

6. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of assets available for benefits and benefits paid to participants per the financial statements to the Form 5500:

	December 31	
	2004	2003
Assets available for benefits per the financial statements	\$ 920,831,383	\$ 846,662,806
Deemed distributions of participant loans		(1,414,466)
Assets available for benefits per the Form 5500	\$ 920,831,383	\$ 845,248,340
		Year Ended
		December 31

	<u>2004</u>
Benefits paid to participants per the financial statements	\$ 67,057,557
Add deemed distributions of participant loans at December 31, 2004	
Less deemed distributions of participant loans at December 31, 2003	(1,414,466)
	<u> </u>
Benefits paid to participants per the Form 5500	\$ 65,643,091
	<u> </u>

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Whirlpool 401(k) Plan

Notes to Financial Statements (continued)

6. Reconciliation of Financial Statements to Form 5500 (continued)

Deemed distributions of loans are recorded as distributions on the Form 5500 but are recorded as investments in the financial statements.

7. Subsequent Event

Effective January 1, 2005, the defined contributions services business of Putnam Investments (the Plan's trustee and record-keeper) is now known as Mercer HR Services. In addition, Mercer Trust Company assumed the role of successor corporate trustee of the trust, effective as of January 1, 2005.

The Plan was amended, effective as of March 28, 2005, to state that on termination of service, a participant with an account balance of \$1,000 or less will receive a single lump-sum distribution equal to the value of his or her account. Participants with account balances exceeding \$1,000 can elect to receive a lump-sum distribution or may elect a monthly installment option.

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Supplemental Schedule

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Whirlpool 401(k) Plan

Schedule H, Line 4i Schedule of Assets

(Held at End of Year)

EIN #38-1490038 Plan #001

December 31, 2004

Description of Investment	Number of Shares or Units	Current Value
Mutual funds:		
Putnam* Money Market Fund SDB	151,773	\$ 151,773
Barclays Lifepath 2040	438,088	7,460,647
Barclays Lifepath Retirement Fund	1,002,818	11,211,501
Barclays Lifepath 2030	1,027,645	15,281,085
Barclays Lifepath 2010	2,236,884	28,497,907
Barclays Lifepath 2020	2,129,234	32,343,059
Vanguard Explorer Fund	508,109	35,272,908
Barclays S&P 500 Stock Fund	2,162,268	45,234,653
Vanguard Windsor II Fund Admiral Class	862,207	47,033,390
EuroPacific Growth Fund	1,511,604	53,858,444
TCW Galileo Select Equity I/Concentrated Core	2,946,155	56,595,633
Neuberger & Berman* Genesis Trust	2,070,397	88,343,824
Putnam* Voyager Fund	6,648,980	113,963,512
		<u>535,248,336</u>
Common and collective funds:		
Putnam* Bond Index Fund	2,672,728	37,525,097
Putnam* Stable Value Fund	181,301,046	181,301,046
		<u>218,826,143</u>
Whirlpool Corporation* common stock	1,474,547	102,053,370
Brokerage Account		4,123,533
		<u>42,840,353</u>
Participant loans	Varying maturities with interest rates of 9%	42,840,353
Total investments		<u>\$ 903,091,735</u>

* Party in interest.

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SIGNATURE

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

WHIRLPOOL CORPORATION

Whirlpool 401(k) Plan

Date: June 29, 2005

By: /s/ Roy W. Templin

Name: Roy W. Templin
Title: Executive Vice President and
Chief Financial Officer

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EXHIBIT INDEX

TO

FORM 11-K FOR

WHIRLPOOL 401(k) PLAN

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
23	Consent of Independent Registered Public Accounting Firm