CATERPILLAR INC
Form 11-K
June 23, 2009

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)	
[X]	ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 2008
	OR
[ ]	TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from __________ to __________.

Commission File No. 1-768

CATERPILLAR INC.
TAX DEFERRED RETIREMENT PLAN
(Full title of the Plan)

CATERPILLAR INC.
(Name of issuer of the securities held pursuant to the Plan)

100 NE Adams Street, Peoria, Illinois 61629
(Address of principal executive offices)

REQUIRED INFORMATION

Item 1.

The audited statements of net assets available for Plan benefits as of the end of the latest two fiscal years of the Plan are attached hereto as Exhibit A.

Item 2.
The audited statements of changes in net assets available for Plan benefits for the latest two fiscal years of the Plan are attached hereto as Exhibit B.

Item 3.
The statements required by Items 1 and 2 have been prepared in accordance with the applicable financial reporting requirements of ERISA.

Item 4.
The Consent of Independent Registered Public Accounting Firm is attached hereto as Exhibit C.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized.

CATERPILLAR INC.
TAX DEFERRED RETIREMENT PLAN

CATERPILLAR INC. (Issuer)

June 23, 2009	By:	/s/ David B. Burritt	
		Name:	David B. Burritt
		Title:	Vice President and Chief Financial Officer

Caterpillar Inc.
Tax Deferred Retirement Plan
Financial Statements and Supplemental Schedule
December 31, 2008 and 2007

Caterpillar Inc.
Tax Deferred Retirement Plan Index

Note: Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

To the Participants, Plan Administrator, Investment
Plan Committee and Benefit Funds Committee of the
Caterpillar Inc. Tax Deferred Retirement Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Caterpillar Inc. Tax Deferred Retirement Plan (the "Plan") at December 31, 2008 and 2007, 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. 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 of these statements 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. An audit 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.

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 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 supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

Peoria, Illinois
June 23, 2009

Exhibit A

Caterpillar Inc.
Tax Deferred Retirement Plan
Statements of Net Assets Available for Benefits
December 31, 2008 and 2007

(in thousands of dollars)		2008		2007
Investments				
Interest in the Caterpillar Investment Trust	$	29,517	$	23,711
Participant loans receivable		2,578		1,108
Other investments – participant directed brokerage accounts		49		11
Total investments		32,144		24,830
Receivables				
Participant contributions receivable		1		3
Employer contributions receivable		6,037		4,874
Total receivables		6,038		4,877
Net assets available for benefits, at fair value		38,182		29,707
Adjustment from fair value to contract value for synthetic guaranteed investment contracts		502		22
Net assets available for benefits	$	38,684	$	29,729

The accompanying notes are an integral part of these financial statements.

Exhibit B

Caterpillar Inc.
Tax Deferred Retirement Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2008 and 2007

(in thousands of dollars)		2008		2007
Investment income (loss)				
Plan interest in net investment income (loss) of Caterpillar Investment Trust	$	(9,924)	$	1,544
Interest on participant loans receivable		133		55
Net investment income (loss) from participant directed brokerage accounts		(28)		3
Net investment income (loss)		(9,819)		1,602
Contributions				
Participant		10,056		6,660
Employer		10,800		7,581
Total contributions		20,856		14,241
Deductions				
Withdrawals		(2,032)		(1,096)
Administrative expenses		(18)		(10)
Total deductions		(2,050)		(1,106)
Increase in net assets available for benefits		8,987		14,737
Transfers				
Transfers from (to) other plans, net		(32)		2
Net increase in net assets available for benefits		8,955		14,739
Net assets available for benefits				
Beginning of year		29,729		14,990
End of year	$	38,684	$	29,729

The accompanying notes are an integral part of these financial statements.

Caterpillar Inc.
Tax Deferred Retirement Plan
Notes to Financial Statements
December 31, 2008 and 2007

1. Plan Description

The following description of the Caterpillar Inc. Tax Deferred Retirement Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a contributory defined contribution plan established by Caterpillar Inc. (the "Company") to enable eligible employees of the Company and its subsidiaries (the "participating employers"), which adopt the Plan to accumulate funds for retirement. The Plan is subject to the provisions of the Employee Retirement Income Security Act, as amended ("ERISA").

Participation

Employees of the participating employers who are covered under collective bargaining agreements to which the Plan is extended who meet certain age, service and citizenship or residency requirements are eligible to participate in the Plan. Each employee will be eligible if the employee was hired on or after a specific date varying by union (primarily January 10, 2005) but is not eligible to participate in the Company's Tax Deferred Savings Plan. Participating eligible employees (the "participants") elect to defer a portion of their compensation until retirement through pre-tax contributions.

Participant Accounts

Accounts are separately maintained for each participant. The participant's account is credited with the participant's contribution as defined below, employer match contributions, employer non-elective contributions and an allocation of Plan earnings. Allocations of earnings are based on participant account balances, as defined. Participant benefits are limited to their vested account balance.

Contributions

Participant contributions are made through a pre-tax compensation deferral as elected by the participants. Participants who are at least 50 years old by the end of the calendar year are allowed by the Plan to make a catch-up contribution for that year. Contributions are subject to certain limitations set by the Internal Revenue Code.

Employer matching contributions are 50 percent of elective participant contributions up to a maximum of 6 percent of eligible compensation. Participants also receive an annual employer non-elective contribution equal to 3 percent of eligible compensation for the Plan year, subject to eligibility requirements.

Participants direct the investment of their contributions and employer matching contributions into various investment options offered by the Plan as discussed in Note 3. Participants may change their contribution elections and prospective investment elections on a daily basis and reallocate the investment of their existing account balance either daily or every seven business days depending on the investment.

Starting September 1, 2006, newly eligible employees were subject to an automatic enrollment process. Unless electing otherwise, employees who become newly eligible will be enrolled with a default 6% deferral of their basic eligible pay and their default investment election is to the Model Portfolio – Moderately Aggressive fund.

Vesting and Distribution Provisions

Participants are fully vested in their participant contributions and earnings thereon. Participants become fully vested in Company matching and non-elective contributions and the earnings thereon upon completion of three years of service with the Company. Upon termination of employment for any reason, including death, retirement or total and permanent disability, or upon Plan termination, the vested balance in participants' accounts is distributable in a single lump sum cash payment unless the participant (or beneficiary) elects to receive Company shares in kind. The value of any full or fractional shares paid in cash will be based upon the average price per share the Trustee receives from sales of Company shares for the purpose of making the distribution. Participants also have the option to leave their vested account balance in the Plan, subject to certain limitations.

Company contributions forfeited by terminated participants are used to reduce future company contributions to the Plan. The amount of forfeitures for the year ended December 31, 2008 was $357,000.

Participant Loans

The Plan provides for participant loans against eligible participants' account balances. Eligible participants obtain loans by filing a loan application with the Plan's record keeper and receiving all requisite approvals. Loan amounts are generally limited to the lesser of $50,000 or 50 percent of the individual participant's vested account balance, with certain regulatory restrictions. Each loan specifies a repayment period that cannot extend beyond five years. However, the five-year limit shall not apply to any loan used to acquire any dwelling unit, which within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the participant. Loans bear interest at the prime interest rate plus 1 percent, as determined at the time of loan origination. Repayments, including interest, are made through after-tax payroll deductions and are credited to the individual participant's account balance. At December 31, 2008, participant loans have various maturity dates through June 29, 2018, with varying interest rates ranging from 5.0 to 9.25 percent.

Administration

The Plan is administered by Caterpillar Inc., which is responsible for non-financial matters, and the Benefit Funds Committee of Caterpillar Inc., which is responsible for financial aspects of the Plan. Caterpillar Inc. and the Benefit Funds Committee have entered into a trust agreement with The Northern Trust Company (the “Trustee”) to receive contributions, administer the assets of the Plan and distribute withdrawals pursuant to the Plan.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan at any time to terminate the Plan subject to provisions of ERISA and the provisions of the collective bargaining agreements. In the event of Plan termination, Plan assets will be distributed in accordance with the provisions of the Plan.

Plan Qualification

The Plan is intended to meet the tax qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended. On September 15, 2005, Caterpillar submitted the Plan to the Internal Revenue Service (the “IRS”) for a determination regarding its tax-qualified status. As of the date of this filing, the IRS has not made a determination regarding the Plan. The Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Int