

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

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

For the Fiscal Year Ended December 31, 2019

OR

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

Commission File Number 1-3215

JOHNSON & JOHNSON
RETIREMENT SAVINGS PLAN

(Full title of the Plan)

JOHNSON & JOHNSON
ONE JOHNSON & JOHNSON PLAZA
NEW BRUNSWICK, NEW JERSEY 08933

(Name of issuer of the securities held pursuant to the Plan
and the address of its principal executive office)

REQUIRED INFORMATION

Item 4. Financial Statements and Supplemental Schedule

Financial statements prepared in accordance with the financial reporting requirements of ERISA filed herewith are listed below in lieu of the requirements of Items 1 to 3.

Report of Independent Registered Public Accounting Firm

Financial Statements:

Statements of Net Assets Available for Benefits

Statement of Changes in Net Assets Available for Benefits

Notes to Financial Statements

Supplemental Schedule*:

Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Signatures

*Other supplemental schedules required by Section 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 ("ERISA"), as amended, have been omitted because they are not required or are not applicable.

Exhibits:

[23](#). Consent of PricewaterhouseCoopers LLP, dated June 18, 2020

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

JOHNSON & JOHNSON RETIREMENT SAVINGS PLAN

Date: June 18, 2020

By:

/s/ Peter Fasolo

Peter Fasolo

Chairman, Pension and Benefits Committee

JOHNSON & JOHNSON RETIREMENT SAVINGS PLAN

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE**

DECEMBER 31, 2019 AND 2018

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*Other supplemental schedules required by Section 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 ("ERISA"), as amended, have been omitted because they are not required or are not applicable.

Report of Independent Registered Public Accounting Firm

To the Administrator and Plan Participants of Johnson & Johnson Retirement Savings Plan

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of Johnson & Johnson Retirement Savings Plan (the "Plan") as of December 31, 2019 and 2018 and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, including the related notes (collectively referred to as 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, 2019 and 2018, and the changes in net assets available for benefits for the year ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's 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 of these financial statements 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.

Supplemental Information

The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2019 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule 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 schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, 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 schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ PricewaterhouseCoopers LLP

New York, New York
June 18, 2020

We have served as the Plan's auditor since 1991.

	2019	2018
Assets		
Interest in Johnson & Johnson Pension and Savings Plans Master Trust, at fair value	\$ 470,502,356	\$ 399,434,531
Total investments	470,502,356	399,434,531
Receivables		
Employee contributions	—	—
Employer contributions	—	—
Notes receivable from participants	191,308	440,532
Total receivables	191,308	440,532
Other assets	315,798	—
Total assets	471,009,462	399,875,063
Liabilities		
Accrued expenses	—	236,338
Total liabilities	—	236,338
Net assets available for benefits	\$ 471,009,462	\$ 399,638,725

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

	2019
Additions to net assets attributed to	
Investment Income/Loss	
Plan's interest in the Johnson & Johnson Pension and Savings Plans Master Trust net investment income/loss	\$ 71,151,494
Contributions	
Employee contributions	22,160,193
Employer contributions	7,323,653
Total additions	<u>100,635,340</u>
Deductions from net assets attributed to	
Benefits paid to participants	28,201,445
Administrative expenses	1,063,158
Total deductions	<u>29,264,603</u>
Net increase	<u>71,370,737</u>
Net assets available for benefits	
Beginning of year	399,638,725
End of year	<u>\$ 471,009,462</u>

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

1. Description of the Plan

General

The Johnson & Johnson Retirement Savings Plan (the "Plan") is a participant directed defined contribution plan which was established on March 1, 1990 for eligible employees of certain participating subsidiaries of Johnson & Johnson (the "Plan Administrator" or the "Company") located in Puerto Rico which have adopted the Plan. The Plan was designed to provide eligible employees with an opportunity to strengthen their financial security at retirement by providing an incentive to save and invest regularly. The funding of the Plan is made through employee and Company contributions. The net assets of the Plan are held in the Johnson & Johnson Pension and Savings Plans Master Trust (the "Trust"). Recordkeeping services are provided by Alight Solutions. The Plan's interest in the Trust is allocated to the Plan based upon the total of each participant's share of the Trust.

State Street Bank and Trust Company ("State Street") serves as agent and custodian of the Plan for purposes of investment of the assets of the Trust. Banco Popular de Puerto Rico serves as Trustee of the Plan. As such, State Street performs certain services for the Plan, including the execution of certain participant directed investments, which are commingled for investment purposes only with assets of other tax-qualified plans maintained by Johnson & Johnson.

This brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan document for complete information.

Contributions

In general, salaried and hourly employees of participating Johnson & Johnson companies who are Puerto Rico residents can contribute to the Plan immediately. There is no service requirement for employee contributions.

If a participant does not take action to enroll or decline enrollment in the Plan within their first 30 days of employment, they will be automatically enrolled for pre-tax employee contributions equal to 3% of their eligible pay and these contributions will be invested in the Plan's default investment option. Prior to September 30, 2019, the Plan's default investment option was the Balanced Fund. Effective September 30, 2019, the Plan's default investment option is the Target Retirement Fund that aligns with, or is closest to, the year in which the participant will turn age 62.

Contributions are made to the Plan by participants through payroll deductions and by the Company on behalf of the participants. Participating employees may contribute a minimum of 3% up to a maximum of 25% pre-tax and/or a minimum of 1% up to a maximum of 10% post-tax of their base salary. Annual pre-tax contributions may not individually exceed \$15,000 in 2019 under Puerto Rico law.

Participants age 50 and over are eligible to contribute extra pre-tax contributions ("catch-up contributions") above the annual Puerto Rico Internal Revenue Code of 2011 (the "PR Code") limitation up to \$1,500 in 2019. Participants can elect an amount to be contributed from each paycheck as their catch-up contribution. This amount will be in addition to the pre-tax contribution percentages that participants have elected. The catch-up contribution is not eligible for the Company matching contribution.

After one year of service, participants receive a Company matching contribution equal to 75% of the first 6% of his/her pretax contributions. The Company matching contribution is comprised of cash and invested in the current investment fund mix chosen by the participant.

Investments

Participants may invest in one or more of the various investment funds offered by the Plan. On September 30, 2019, the Plan eliminated the Balanced Fund and introduced the Target Retirement Funds as new investment options for Plan participants. Each of the Plan's funds represents a mix of various investments. The investment mix chosen by the participant will apply to employee and Company matching contributions. Rollover contributions are invested at the election of the participant.

Participants receive dividends on Johnson & Johnson Common Stock shares held in the Johnson & Johnson Stock Fund. The dividends are automatically reinvested in the Johnson & Johnson Stock Fund. For all other funds, State Street reinvests all dividend and interest income.

Vesting

A participant's interest in his/her account, including participant contributions, Company contributions and earnings thereon, is always fully vested. As a result, there are no forfeitures under the Plan.

Payment of Benefits

Participants are allowed to withdraw their post-tax contributions and earnings thereon one time per calendar year. Participants may withdraw pre-tax contributions only upon meeting certain hardship conditions. The benefits to which participants are entitled are the amounts provided by contributions (Company and participant) and investment earnings thereon, including net realized and unrealized gains and losses which have been allocated to the participant's account balance. Participants have the option of receiving part of their balance in the Johnson & Johnson Stock Fund as either cash or in shares of Johnson & Johnson Common Stock (plus cash for fractional shares) for lump sum distributions other than a hardship.

Benefits are also paid to participants upon termination of employment, long-term disability or retirement. Participants can elect to defer payment if account balances are greater than \$5,000. Distributions are paid either in a lump sum payment, or installment payments made on a monthly, quarterly or annual basis over a period of years selected by the participant.

A participant's account may be distributed to his/her beneficiaries in lump sum or in installments upon the participant's death only if the beneficiary is a spouse. Otherwise, it is paid to the beneficiary in a lump sum, either directly or rolled over to an Individual Retirement Account ("IRA").

Administrative Expenses

All third-party administrative expenses are paid by the Plan, unless otherwise provided for by the Company.

Notes Receivable from Participants

Participants are not permitted to take loans from the Plan. However, due to an acquisition, there are existing loans which must be allowed to continue once rolled into the Johnson & Johnson Retirement Savings Plan. The collateralized balances in the participant's accounts have interest rates that range from 3.25% to 4.25%. Principal and interest is paid ratably through payroll deductions for active employees. Loans must be paid within two months following retirement or termination of employment with the Company. If the loan is not repaid in full, the unpaid balance, plus accrued interest, will be deducted from the participant's account balance and reported as a distribution.

Termination

Although it has not expressed an 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. In the event of a partial or full Plan termination, all Plan funds must be used exclusively for the benefit of the Plan participants, in that each participant would receive the respective value in their account.

2. Summary of Significant Accounting Policies

Recent Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) 2018-13, Fair Value Measurement (Topic 820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement which removes, modifies and adds disclosures to Topic 820. The amendments in this ASU 2018-13 apply to all entities that are required, under existing U.S. Generally Accepted Accounting Principles (GAAP), to make disclosures about recurring or nonrecurring fair value measurements. The amendments in this ASU 2018-13 are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. This update is not expected to have a material impact on the Plan's financial statements and Plan's management, Johnson & Johnson, is evaluating the impact of the update on the Plan's notes to the financial statements.

In February 2017, the FASB issued ASU 2017-06, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965). This update removes the requirement to disclose the percentage interest in the master trust for plans with divided interests and requires that all plans disclose the dollar amount of their interest in each of those general types of investments. This update is effective for fiscal years beginning after December 15, 2018, with early application permitted. Management of the Company has adopted the new guidance effective December 31, 2019 and has applied it retrospectively. The adoption of this guidance did not have a material impact on the Plan's financial statements.

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation and Income Recognition of the Trust

The Plan's interest in the Trust is stated at fair value, except for the fully benefit-responsive investment contracts which are stated at contract value. The investment in the Trust represents the Plan's interest in the net assets of the Trust.

As the investment funds contain various underlying assets such as stocks and short-term investments, the participant's account balance is reported in units of participation, which allows for immediate transfers in and out of the funds. The purchase or redemption price of the units is determined by State Street, based on the current market value of the underlying assets of the funds. Each fund's net asset value for a single unit is computed by adding the value of the fund's investments, cash and other assets, and subtracting liabilities, then dividing the result by the number of units outstanding.

Purchases and sales of securities are recorded on a trade-date basis. Gains and losses on the sale of investment securities are determined on the average cost method. Dividend income is recorded on the ex-dividend date. Interest income and administrative expenses are recorded on an accrual basis.

The Plan presents, in the Statement of Changes in Net Assets Available for Benefits, the net investment income/loss for the Plan's interest in the Trust which consists of the Plan's allocated change in unrealized appreciation and depreciation of the underlying investments, realized gains and losses on sales of investments and investment income/loss based upon the total of each participant's share of the Trust.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Derivatives

The Trust mitigates risk through structured trading with reputable parties and continual monitoring procedures. The Trust enters into forward foreign exchange contracts to hedge against adverse changes in foreign exchange rates related to non-U.S. dollar denominated investments. The Trust is exposed to credit risk for non-performance by the counterparty and to market risk for changes in interest and currency rates. The Trust accounts for forward foreign exchange contracts at fair value.

The fair value of a forward foreign exchange contract is the aggregation by currency of all future cash flows discounted to its present value at the prevailing market interest rates and subsequently converted to the U.S. Dollar at the current spot foreign exchange rate.

The Trust actively manages risk by periodically investing in interest rate swaps, credit default swaps and fixed income options. Interest rate swaps are used to manage interest rate risk and provide an effective means to adjust portfolio duration, maturity mix and term-structure. Credit default swaps are used to either synthetically add or reduce credit risk to an individual issuer or a basket of issuers. Depending on the type of contract, the counterparty risk exposure can be either with the exchange or another counterparty. Fixed income options are used in various ways including: to pursue upside exposure to a portion of the yield curve, to capitalize on anticipated changes in market volatility, to focus on generating income, and to serve as a hedge. The Trust records interest rate swaps, credit default swaps and options at fair value. Interest rate swaps are valued daily using underlying yield curves based upon broker/dealer sources, the present

value of expected cash flows, and frequency of which they compound and pay. Credit default swaps are valued using daily underlying yield curves and/or credit curves and spreads based upon broker/dealer/index sources, the present value of expected cash flows, and the frequency of which they compound and pay including a weighted default calculation. Options are valued using market-based inputs to models, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency, where such inputs and models are available. Alternatively, the values may be obtained through unobservable management determined inputs and/or management's proprietary models. Where models are used, the selection of a particular model to value an option depends upon the contractual terms of, and specific risks inherent in, the option as well as the availability of pricing information in the market. Valuation models require a variety of inputs, including contractual terms, market prices, measures of volatility and correlations of such inputs.

A futures contract is an agreement to buy or sell a security or other asset for a set price on a future date. These contracts are traded on major exchanges and are marked to market daily, thus minimizing counterparty risk. The Trust enters into futures contracts mainly to manage the duration and refine the curve positioning of the fixed income portfolios, thus, allowing the investment managers to achieve the overall investment portfolios' objectives. These contracts are priced by an exchange and the fair value is the daily mark to market, which is a function of price movements for the contract relative to the level it was originally entered into.

There have been no changes in the methodologies used at December 31, 2019 and 2018.

Use of Estimates

The preparation of the Plan's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of Net Assets Available for Benefits at the date of the financial statements and the Changes in Net Assets Available for Benefits during the reporting period and the applicable disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan provides for various investment options in funds which can invest in a combination of equity, fixed income securities and other investments. Investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in risks in the near term, including the macroeconomic impact of COVID-19, could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

Reporting of Fully Benefit-Responsive Investment Contracts

Fully benefit-responsive investment contracts are reported at contract value. Contract value is the relevant measurement criteria for that portion of the net assets available for benefits of a defined contribution plan 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.

3. Johnson & Johnson Pension and Savings Plans Master Trust

The assets of the Johnson & Johnson Savings Plan, the Johnson & Johnson Retirement Savings Plan, the Retirement Plan of Johnson & Johnson and Affiliated Companies, the Johnson & Johnson Retirement Plan for Union Represented Employees, and the Johnson & Johnson Retirement Plan for Puerto Rico Employees comprise the total of the Trust which is held by State Street.

The following table presents the net assets of the Master Trust and the Plan's interest in the net assets of the Master Trust as of December 31, 2019 and 2018.

	Master Trust		Retirement Savings Plan's Interest in Master Trust	
	2019	2018	2019	2018
ASSETS				
Investments, at fair value				
Short-term investment funds	\$ 1,027,210,232	\$ 902,645,443	\$ 16,677,092	\$ 12,374,406
Government and agency securities	3,292,007,871	2,930,753,380	10,920,453	9,310,306
Debt instruments	4,012,430,134	3,669,624,160	9,889,034	8,958,643
Equity securities	19,817,248,502	17,652,669,523	303,937,232	281,383,323
Mutual funds	—	154,977,294	—	348,158
Common collective trusts	9,693,759,710	6,451,392,787	75,827,202	41,801,143
Partnership/joint venture interests	831,928,422	640,511,714	1,546,784	1,168,753
Other, net	—	—	—	—
Total Investments at Fair Value	\$ 38,674,584,871	\$ 32,402,574,301	\$ 418,797,797	\$ 355,344,732
Other assets				
Guaranteed and synthetic investment contracts at contract value	\$ 2,099,713,678	\$ 2,060,481,456	\$ 52,478,654	\$ 45,608,238
Purchase paid in advance	180,000,000	—	—	—
Receivable for investments sold	92,311,495	155,501,180	1,052,492	1,157,110
Interest receivables	48,797,577	51,528,091	540,552	358,339
Dividend receivables	13,423,321	17,042,394	153,046	126,815
Other receivables	8,336,014	4,251,600	95,044	31,638
Total Other Assets	2,442,582,085	2,288,804,721	54,319,788	47,282,140
Total Master Trust assets	\$ 41,117,166,956	\$ 34,691,379,022	\$ 473,117,585	\$ 402,626,872
LIABILITIES				
Payables for investments purchased	(221,349,890)	(447,485,865)	(2,523,726)	(3,329,816)
All other payables	(8,025,519)	(13,286,557)	(91,503)	(98,867)
Total Liabilities	(229,375,409)	(460,772,422)	(2,615,229)	(3,428,683)
Net Master Trust assets	\$ 40,887,791,547	\$ 34,230,606,600	470,502,356	399,198,189

The following table presents the changes in net assets for the Master Trust for the year ended December 31, 2019:

	2019
Changes in Net Assets:	
Net appreciation (depreciation) in fair value of investments	\$ 7,104,130,489
Interest	303,047,256
Dividends	416,581,895
Total net investment income (loss)	7,823,759,640
Contributions received, benefits paid and other, net	(1,166,574,693)
Increase (decrease) in net assets	6,657,184,947
Net assets	
Beginning of year	34,230,606,600
End of year	\$ 40,887,791,547

a. Fair Value Measurements

The Plan's valuation methodologies were applied to all of the Trust's investments carried at fair value. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon models that primarily use, as inputs, market-based or independently sourced market parameters, including yield curves, interest rates, volatilities, equity or debt prices, foreign exchange rates and credit curves.

While 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 estimate of fair value at the reporting date.

Valuation Hierarchy

FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 - Quoted prices in active markets for identical assets and liabilities.
- Level 2 - Significant other observable inputs.
- Level 3 - Significant unobservable inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for the investments measured at fair value:

- Short-term investment funds - Cash and quoted short-term instruments are valued at the closing price or the amount held on deposit by the custodian bank where quoted prices are available in an active market and are classified as Level 1. Other investments are through investment vehicles valued using the Net Asset Value ("NAV") provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in a market that is not active and classified as Level 2.
- Government and agency securities - The assets are comprised of government and agency securities and U.S. Treasury bills and notes of varying maturities. These are all considered Level 2 fair values which are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.
- Debt instruments - The assets are comprised of corporate debt and commercial loans and mortgages. Fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows and are generally classified as Level 2. Level 3 debt instruments are priced based on unobservable inputs.
- Equity securities - U.S. and International equity securities are valued at the closing price reported on the major market on which the individual securities are traded. Substantially all equity securities are classified within Level 1 of the valuation hierarchy.
- Common Collective Trusts (CCT's) - The fair value of all CCT interests have been determined using NAV as a practical expedient. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The CCT's are included in Investments measured at Net Asset Value. A majority of the CCT's are used for liquidity purposes for both the defined benefit and defined contribution plans within the Trust. The CCTs are primarily passive funds that provide daily liquidity with no prior notice for participant transactions, and 2-day prior notice for Plan Sponsor transactions for the various Plan investment options. Participant directed purchases and sales are transacted at the NAV. At December 31, 2019 and 2018, approximately 73% and 71%,

respectively, of the CCT's are invested in passive strategies that mimic the indices, and 27% and 29%, respectively, in active strategies. Additionally, at December 31, 2019 and 2018, 70% and 68%, respectively, of the active and passive CCT's are invested in U.S. equities, 24% and 23%, respectively, are invested in global equities and emerging markets, and the remaining 6% and 9%, respectively, are invested in fixed income. There are no unfunded commitments for any of the CCT's that the Trust invests in.

- **Mutual Funds** - Mutual funds that have a quoted market price are classified as Level 2.
- **Other assets and liabilities, net** - Other assets and liabilities are represented primarily by derivatives. Other assets and liabilities, that are exchange listed and actively traded, are classified as Level 1 while inactively traded assets are classified as Level 2. The other assets and liabilities valued using unobservable inputs are classified as Level 3.
- **Limited Partnerships ("LP")** - The Trust invests in LP investments including a Hedge Fund, Emerging Market Long-Only Equity Funds and Private Market Funds. As of December 31, 2019 and 2018, approximately 41% and 49%, respectively, of these investments are invested in a Hedge Fund, 35% and 36%, respectively, in Emerging Market Long-Only Equity Funds and 24% and 15%, respectively, in Private Market Funds.

The Trust's private market program has invested as a limited partner in a well-diversified portfolio of funds managed by general partners. The program is being managed to ensure adequate diversification by general partner, strategy type (private equity, real assets, and private credit), and geographic region. As of December 31, 2019 and 2018, approximately 56% and 69%, respectively, of these investments are invested in private equity, 27% and 31%, respectively, in real assets, and 17% and 0%, respectively, in private credit. The Trust has entered into a number of private markets agreements that commit the Trust, upon request, to make additional investment purchases up to predetermined amounts. As of December 31, 2019, and 2018, the Trust had aggregate unfunded commitments of \$1,096,139,808 and \$255,255,109 respectively. These commitments are expected to be satisfied with distributions from existing funds, reinvestment of proceeds and/or periodic rebalancing of existing investments. The LP investments have target maturity dates ranging from 2020 to at least 2029 with the possibility of 2 to 4 years of extensions in accordance with the respective LP's governing documents. Distributions to the Trust from LP investments are driven by portfolio company liquidation in the public and private markets. Otherwise, the LP investments are not redeemable. The fair value of the Trust's LP investments has been determined using NAV provided by the respective general partners as a practical expedient. The NAV is the pro-rata share of the Trust's position based on the value of the underlying assets owned by the LP, minus its liabilities.

2019 Master Trust Investments Measured at Fair Value

December 31, 2019	Quoted market prices inputs (Level 1)	Observable inputs (Level 2)	Investments measured at Net Asset Value	Total Assets
Short-term investment funds	\$ 17,389,636	\$ 1,009,820,596	\$ —	\$ 1,027,210,232
Government and agency securities	—	3,292,007,871	—	3,292,007,871
Debt instruments	—	4,012,430,134	—	4,012,430,134
Equity securities	19,814,099,250	3,149,252	—	19,817,248,502
Common collective trusts	—	—	9,693,759,710	9,693,759,710
Partnership/joint venture interests	—	—	831,928,422	831,928,422
Trust investments at fair value	\$ 19,831,488,886	\$ 8,317,407,853	\$ 10,525,688,132	\$ 38,674,584,871

2018 Master Trust Investments Measured at Fair Value

December 31, 2018	Quoted market prices inputs (Level 1)	Observable inputs (Level 2)	Investments measured at Net Asset Value	Total Assets
Short-term investment funds	\$ 805,939	\$ 901,839,504	\$ —	\$ 902,645,443
Government and agency securities	—	2,930,753,380	—	2,930,753,380
Debt instruments	—	3,669,624,160	—	3,669,624,160
Equity securities	17,645,754,837	6,914,686	—	17,652,669,523
Mutual funds	—	154,977,294	—	154,977,294
Common Collective Trusts	—	—	6,451,392,787	6,451,392,787
Partnership/joint venture interests	—	—	640,511,714	640,511,714
Trust investments at fair value	\$ 17,646,560,776	\$ 7,664,109,024	\$ 7,091,904,501	\$ 32,402,574,301

b. Guaranteed and Synthetic Investment Contracts

The Trust holds investments in traditional and synthetic GICs. The weighted average insurance financial strength rating of the insurers for these contracts is AA3. These investments are recorded at their book values. The traditional and synthetic GICs' contract value represents book value plus reinvested income adjusted for net cash flows. Both the traditional and synthetic GICs are fully benefit-responsive. Participants may under most circumstances direct the withdrawal or transfer of all or a portion of their investment at contract value. Currently no reserves are needed against contract values for credit risk of the contract issuers or otherwise.

The traditional GICs provide a fixed return on principal over a specified period of time through fully benefit-responsive contracts issued by an insurance company, which are backed by the general account of that insurer. The contract value of the traditional GICs was \$329,647,652 and \$737,114,328 at December 31, 2019 and December 31, 2018, respectively.

The synthetic GICs provide a return over a period of time through a fully benefit-responsive contract, or wrapper contract, which is backed by the underlying assets owned by the Trust. The portfolio of assets with overall Aa1/AA+ credit quality, underlying the synthetic GICs primarily includes government and agency securities, corporate debt, mortgage backed securities, and asset backed securities. The contract value of the synthetic GICs was \$1,770,066,026 and \$1,323,367,128 at December 31, 2019 and December 31, 2018, respectively.

There are certain events not initiated by Plan participants that limit the ability of the Plan to transact with the issuer of a GIC at its contract value. Specific coverage provided by each traditional and synthetic GIC may be different from each issuer. Examples of such events include: the Plan's failure to qualify under the Internal Revenue Code ("IRC") of 1986 as amended; full or partial termination of the Plan; involuntary termination of employment as a result of a corporate merger, divestiture, spin-off, or other significant business restructuring, which may include early retirement incentive programs or bankruptcy; changes to the administration of the Plan which decreases employee or employer contributions, the establishment of a competing plan by the plan sponsor, the introduction of a competing investment option, or other Plan amendment that has not been approved by the contract issuers; dissemination of a participant communication that is designed to induce participants to transfer assets from this investment option; events resulting in a material and adverse financial impact on the contract issuer, including changes in the tax code, laws or regulations. The Plan fiduciaries believe that the occurrence of any of the aforementioned events, which would limit the Plan's ability to transact with the issuer of a GIC at its contract value, is not probable.

c. Derivatives

Presented in the following table is the fair value of derivatives within the Trust as of December 31, 2019 and 2018. The net unrealized appreciation/depreciation of these derivative instruments is included in the Interest in Johnson & Johnson Pension and Savings Plans Master Trust, at fair value in the Statements of Net Assets Available for Benefits.

	2019		2018	
	Asset	Liability	Asset	Liability
Fair Value of Derivatives				
Forward Foreign Exchange Contracts	\$ 949,359	\$ 699,917	\$ 287,731	\$ 1,727,565
Futures	—	42,641	136,369	46,469
Interest Rate Swaps	—	1,356,567	—	1,030,104
Credit Default Swaps	435,217	—	—	368,679
Options	30,478	6,436	72,633	54,135
Total	\$ 1,415,054	\$ 2,105,561	\$ 496,733	\$ 3,226,952

The following tables provide information on the investment gains/(losses) on derivatives within the Trust for the years ended December 31, 2019 and 2018. These amounts are included in the Plan's interest in the Johnson & Johnson Pension and Savings Plans Master Trust net investment income/loss on the Statement of Changes in Net Assets Available for Benefits.

	2019		
	Realized (Loss)/Gain	Unrealized (Loss)/Gain	Total Investment (Loss)/Gain
Forward Foreign Exchange Contracts	\$ (88,364)	\$ 1,689,276	\$ 1,600,912
Futures	2,711,322	171,492	2,882,814
Interest Rate Swaps	(1,932,019)	(326,463)	(2,258,482)
Credit Default Swaps	755,510	803,897	1,559,407
Options	201,916	5,544	207,460
Total	\$ 1,648,365	\$ 2,343,746	\$ 3,992,111

	2018		
	Realized (Loss)/Gain	Unrealized (Loss)/Gain	Total Investment (Loss)/Gain
Forward Foreign Exchange Contracts	\$ (2,055,926)	\$ 2,199,062	\$ 143,136
Futures	(1,237,665)	947,548	(290,117)
Interest Rate Swaps	414,145	(1,416,347)	(1,002,202)
Credit Default Swaps	80,092	(693,477)	(613,385)
Options	(107,800)	36,620	(71,180)
Total	\$ (2,907,154)	\$ 1,073,406	\$ (1,833,748)

The following table provides information on collateral pledged by and owed to the Trust as of December 31, 2019 and 2018.

	2019		2018	
	Pledged/ (Owed)		Pledged/ (Owed)	
	Cash	Treasury Securities	Cash	Treasury Securities
Forward Foreign Exchange Contracts	\$ —	\$ —	\$ —	\$ —
Futures	45,000	—	—	—
Interest Rate Swaps	1,292,000	—	360,000	—
Credit Default Swaps	2,329,000	—	2,657,000	—

The following table provides the average notional value of derivatives held by the Trust as of December 31, 2019 and 2018.

	Average Notional Value	
	2019	2018
Purchased Forward Foreign Exchange Contracts	\$ 19,817,733	\$ 25,725,590
Sold Forward Foreign Exchange Contracts	110,763,444	143,386,921
Purchased Futures Contracts	64,253,703	71,320,620
Sold Futures Contracts	23,704,188	12,921,695
Purchased Options Contracts	—	15,187,500
Written Options Contracts	44,900,000	21,208,333
Interest Rate Swaps	148,508,311	70,845,099
Written Credit Default Swaps	60,041,667	23,724,117

For the written credit default swaps, the recourse provisions are determined either by the International Swaps and Derivatives Association ("ISDA") agreements or the exchange. Where the Trust is a seller of credit default swaps and if a credit event occurs due to the default of the underlying security or the underlying tranche, this would result in a net loss to the Trust. At December 31, 2019, the maximum payout for outstanding credit default swaps aggregated to \$102,700,000 with terms as follows:

December 31, 2019		
Number of Contracts	Maturity	Total Value
28	Less than 1 Year	\$ 57,900,000
2	1 Year	1,600,000
5	3 Years	2,900,000
10	4 Years	23,700,000
8	5 Years	16,600,000

At December 31, 2018, the maximum payout for outstanding credit default swaps aggregated to \$67,800,000 with terms as follows:

December 31, 2018		
Number of Contracts	Maturity	Total Value
9	Less than 1 Year	\$ 10,000,000
1	1 Year	1,700,000
4	2 Years	4,200,000
5	4 Years	3,700,000
6	5 Years	48,200,000

4. Notes Receivable from Participants

The Plan had participant loans outstanding at December 31, 2019 and December 31, 2018 of \$191,308 and \$440,532, respectively. The net decrease of \$249,224 for 2019 represents loan retirements and payments. Delinquent notes receivable from participants are reclassified to benefit payments based on terms of the Plan document.

5. Tax Status

The Plan received a favorable determination letter from the PR Treasury under the PR Code dated June 21, 2018. Although the Plan has been amended since receiving the determination letter, the Plan Administrator believes that the Plan is currently designed and is currently being operated in compliance with the applicable requirements of the PR Code. The Trust associated with the Plan is intended to be exempt from Puerto Rico income taxation pursuant to the provisions of Section 1081.01(a) of the PR Code, and, pursuant to Section 1022(i)(1) of ERISA, for United States income tax purposes, the Plan's Master Trust is intended to be considered as an organization as described in Section

401(a) of the U.S. Internal Revenue Code of 1986, as amended (the "U.S. Code") and exempt under Section 501(a) of the U.S. Code. Accordingly, no provision for income taxes has been made.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the PR Treasury pursuant to the provisions of the PR Code, as appropriate. The Plan Administrator has concluded that as of December 31, 2019, there are no uncertain tax 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.

6. Related Party Transactions

Certain Plan investments, such as shares of CCT's managed by State Street Global Advisors, a division of State Street and shares of State Street common stock and bonds, qualify as party-in interest transactions as State Street is the custodian as defined by the Plan. As of December 31, 2019 and December 31, 2018, the total market value of investments in these interests allocated to the Plan and managed by State Street was \$81,402,224 and \$48,436,549, respectively.

The Plan also invests in shares of the Company. The Company is the Plan sponsor and, therefore, these transactions qualify as party-in-interest transactions. As of December 31, 2019 and December 31, 2018, the fair value of investments in Johnson & Johnson Common Stock was \$199,837,086 and \$201,548,096, respectively. During the year ended December 31, 2019, the Plan made purchases of \$10,885,786 and sales of \$37,222,617 of the Company's common stock. The total dividend income received during 2019 was \$5,568,396. The total realized and unrealized gains during 2019 were \$13,771,508 and \$80,820,333, respectively.

7. Reconciliation of Financial Statements to Form 5500

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

	December 31,	
	2019	2018
Net assets available for benefits per the financial statements	\$ 471,009,462	\$ 399,638,725
Amounts allocated to withdrawing participants	(397,474)	(291,561)
Net assets available for benefits per the Form 5500	\$ 470,611,988	\$ 399,347,164

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500:

	December 31, 2019
Net increase in net assets available for benefits per the financial statements	\$ 71,370,737
Less: Amounts allocated to withdrawing participants at December 31, 2019 (not yet paid)	(397,474)
Add: amounts allocated to withdrawing participants at December 31, 2018	291,561
Net increase in net assets available for benefits per the Form 5500	\$ 71,264,824

8. Subsequent Events

On March 29, 2020, the Puerto Rico Treasury Department (the "PR Treasury") approved special tax provisions permitting qualified plans to allow Puerto Rico residents to withdraw up to \$100,000 between February 20, 2020 through June 30, 2020 to cover losses/expenses incurred by a participant or a participant's beneficiary due to earthquakes and/or the COVID-19 outbreak. The Plan is offering impacted active employees the opportunity to take a distribution from the Plan in an amount up to the greater of (i) \$10,000 (capped at total account balance) or (ii) 50% of their account

balance not to exceed \$100,000. Impacted inactive participants who take a lump sum distribution of their total account balance will also be eligible to qualify for the treatment provided under the PR Treasury guidance.

The Plan has assessed subsequent events through the date that the financial statements were available to be issued and has determined that no other items require disclosure.

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
Plan's interest in the Trust	Plan's interest in the Johnson & Johnson Pension and Savings Plans Master Trust	**	\$ 470,502,356
*Participant loans	Interest rates ranging from 3.25% to 4.25%. Maturities ranging from 2020 - 2024	**	\$ 191,308

* Represents party-in-interest transactions

** Not applicable

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-211250) of Johnson & Johnson of our report dated June 18, 2020 relating to the financial statements and supplemental schedule of Johnson & Johnson Retirement Savings Plan, which appears in this Form 11-K.

/s/ PricewaterhouseCoopers LLP

New York, New York

June 18, 2020