
**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: February 12, 2007

SAIC, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-33072

(Commission File Number)

20-3562868

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

10260 Campus Point Drive, San Diego, CA 92121

(Address of Principal Executive Offices) (Zip Code)

(858) 826-6000

(Registrant's Telephone Number, Including Area Code)

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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Item 8.01 Other Events.

SAIC, Inc. (Company) previously disclosed that it was seeking a ruling from the IRS that would permit it to take a tax deduction for a portion of a special dividend declared in October 2006. The Company was seeking IRS approval that would permit participants of the Company’s retirement plan to elect to receive the dividend in cash or reinvest it in other investment alternatives in the plan. The Company was proposing to the IRS that the Company should be able to deduct the amount of the dividend that participants elected to receive in cash under a section of the Internal Revenue Code which permits the deduction of certain dividends paid to an employee stock ownership plan (ESOP) such as the Company’s retirement plan.

On February 12, 2007, the Company reported in communications sent to retirement plan participants, employees and stockholders that the IRS will not permit the Company to provide this type of election to plan participants. Given this result, the special dividend will be allocated to participants’ individual accounts in the plan and participants will be able to reinvest it in any plan investment alternative. No election to receive the special dividend in cash will be permitted, and the Company will not receive a tax deduction for any amount of the special dividend paid to the plan.

A copy of the memo to employees and stockholders from the Chairman of the Board of Directors and Chief Executive Officer is attached as Exhibit 99.1 and incorporated herein by reference in its entirety. A copy of the notice to participants in the SAIC Retirement Plan from the Chairman of the SAIC Retirement Plans Committee is attached as Exhibit 99.2 and incorporated herein by reference in its entirety.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Memo to employees and stockholders from Chairman and CEO dated February 12, 2007
99.2	Notice to Participants in the SAIC Retirement Plan from the Chairman of the Retirement Plans Committee dated February 2007

SIGNATURE

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.

(Registrant)

SAIC, INC.

Date: February 12, 2007

By: /s/ DOUGLAS E. SCOTT

Douglas E. Scott

Its: Senior Vice President

General Counsel and Secretary

Date: February 12, 2007
From: Ken Dahlberg
To: SAIC Employees and Stockholders
Subject: Pre-IPO Special Dividend IRS Guidance

We have been in discussions over the last several months with the IRS in an attempt to allow participants in the SAIC Retirement Plan to elect to receive the pre-IPO special dividend related to SAIC stock in the Plan in cash or reinvest it in investment alternatives available under the Plan. Our discussions with the IRS have concluded, and the IRS has advised us that plan participants would not be permitted to make an election to receive their dividend in cash or reinvest it in other Plan investment alternatives.

Given this, the special dividend will be allocated to participants' individual accounts in the Plan during the week of February 18th, and participants will be able to reinvest it into the Plan's investment alternatives. Since no election to receive the special dividend in cash is permitted, the Company will not receive a tax deduction for any amount of the special dividend paid to the Plan.

A separate letter will be sent by John Warner, Chairman of the SAIC Retirement Plans Committee, informing Plan participants of this result and providing more details. Also, participants can request additional information from SAIC Retirement Programs or through Vanguard's website (www.vanguard.com).

This closes out the last IPO structural issue. I would like to thank our employees and stockholders for their patience throughout the IPO process.

A handwritten signature in black ink that reads "Ken Dahlberg". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right from the end of the name.

Ken Dahlberg
Chairman and Chief Executive Officer

**SAIC Retirement Plan Notice on
Allocation of SAIC Special Dividend**

February 2007

Summary of important information covered in this notice:

- **The SAIC special dividend will be allocated to your SAIC Retirement Plan account during the week of February 18, 2007**
- **Your portion of the dividend will be invested in Vanguard® LifeStrategy® Conservative Growth Fund**
- **You will then be able to exchange the dividend proceeds into any investment alternative offered by the SAIC Retirement Plan**
- **You will not have an opportunity to elect to receive the dividend in cash**

Dear SAIC Retirement Plan Participant:

As you know, SAIC declared a special dividend (Dividend) on shares of its outstanding stock in October 2006. The SAIC Retirement Plan (Plan) received its portion of the Dividend when it was paid to all SAIC stockholders in November 2006. The proceeds of the Dividend have been invested in the Vanguard Prime Money Market Fund awaiting guidance from the Internal Revenue Service (IRS).

As we have previously advised, SAIC requested guidance from the IRS on whether it may allow participants to elect to receive the Dividend in cash or reinvest into other investment alternatives available in the Plan and permit SAIC to take a tax deduction on that portion of the Dividend distributed in cash to participants. SAIC's discussions with the IRS have concluded and the IRS advised SAIC that Plan participants would not be permitted to make an election to receive the Dividend in cash. SAIC will not be able to take a tax deduction for any amount of the Dividend paid to the Plan. Therefore, the Dividend will remain in the Plan and will now be allocated to participants' accounts.

The allocation of proceeds to your account that are related to the dividend is a two-step process. The portion of the Dividend that you are entitled to receive as a Plan participant is scheduled to be allocated to your Plan account during the week of February 18, 2007. Following the allocation of the Dividend, the earnings that accumulated from the investment of the Dividend in the Vanguard Prime Money Market Fund will also be allocated to your account during the week of February 18, 2007. The portion of the Dividend and the associated earnings allocated to your account will be invested in the LifeStrategy Conservative Growth Fund.

Once the Dividend and associated earnings are allocated to your account and invested in the LifeStrategy Conservative Growth Fund, you may exchange the proceeds into any other investment alternative offered by the Plan. If you wish to reinvest the dividend proceeds or earnings into the SAIC Common Stock Fund, this will be permitted in early April 2007. You will receive more information regarding this and other updates to the SAIC Stock Funds in early March 2007. To make these or any other changes to your Plan account, log on to your account at www.vanguard.com or call Vanguard at **800-523-1188**.

If you have questions, please call Vanguard Participant Services at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

We appreciate your patience and understanding throughout this process which unfortunately required many months to resolve.

Sincerely,

John H. Warner, Jr.

Chairman of the SAIC Retirement Plans Committee

For more information about any mutual fund available through the SAIC Retirement Plan, including investment objectives, risks, charges, and expenses, call The Vanguard Group at 800-523-1188 to obtain a prospectus. The prospectus contains this and other important information about the fund. Read and consider the prospectus information carefully before you invest. You can also download Vanguard fund prospectuses at www.vanguard.com.