CBS CORP
Form 11-K
June 28, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549-1004

FORM 11-K

(Mark One)

x	**Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934**

For the period ended December 31, 2005

Commission file number 001-09553

OR

o	**Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934**

WESTINGHOUSE SAVINGS PROGRAM

(Full title of the plan)

CBS Corporation

(Name of issuer of the securities held pursuant to the plan)

51 W. 52nd Street

New York, New York 10019

(Address of principal executive offices)

WESTINGHOUSE SAVINGS PROGRAM

FINANCIAL STATEMENTS AND EXHIBIT

DECEMBER 31, 2005

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Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of
Westinghouse Savings Program:

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Westinghouse Savings Program (the Plan) at December 31, 2004 and December 31, 2005 and the changes in net assets available for benefits for the year ended December 31, 2005 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. The 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

New York, New York
June 23, 2006

WESTINGHOUSE SAVINGS PROGRAM
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(in thousands)

	At December 31, 2005	2004
Assets		
Investments	$ 1,656,177	$ 1,768,896
Investments in master trust investment accounts	148,789	152,161
Receivables:		
Interest and dividends	6,503	6,847
Due from broker for securities sold, net	1,442	820
Total assets	1,812,911	1,928,724
Liabilities		
Investment manager fees payable	166	185
Other liabilities	1,900	856
Net assets available for benefits	$ 1,810,845	$ 1,927,683

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

WESTINGHOUSE SAVINGS PROGRAM
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(in thousands)

	Year Ended December 31, 2005
Additions to net assets attributed to:	
Investment Income:	
Interest	$ 76,523
Dividends	4,749
Income from master trust investment accounts	7,825
Total additions	89,097
Deductions from net assets attributed to:	
Benefits paid to participants	(192,086)
Net depreciation in fair value of investments	(12,165)
Plan expenses	(1,684)
Total deductions	(205,935)
Net decrease	(116,838)
Net assets available for benefits, beginning of year	1,927,683
Net assets available for benefits, end of year	$ 1,810,845

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

WESTINGHOUSE SAVINGS PROGRAM

NOTES TO FINANCIAL STATEMENTS
(Tabular dollars in thousands)

NOTE 1 PLAN DESCRIPTION

The following is a brief description of the Westinghouse Savings Program (the Plan) and is provided for general information only. Participants should refer to the Plan document for more complete information regarding the Plan.

The Plan was originally established by Westinghouse Electric Corporation.

All participants of the Plan are retirees or terminated employees who are fully vested. No contributions can be made to the Plan and no new loans may be requested. All participant accounts are participant directed.

The Plan is subject to the provisions of the Internal Revenue Code of 1986, as amended, (the Code) and the Employee Retirement Income Security Act of 1974, as amended (ERISA), and is administered by a retirement committee appointed by the Company s Board of Directors.

Mellon Bank, N.A. (the Trustee) is the trustee and custodian of the Plan. Certain Plan investments are shares of funds managed by the Trustee or companies affiliated with the Trustee and therefore qualify as a party-in-interest transaction. In addition, certain Plan investments are shares of former Viacom Inc. (Former Viacom) and therefore qualify as a party-in-interest transaction.

Participant Accounts

Each participant s account is credited with the participant s share of the investment income and any realized or unrealized gains or losses of the Plan assets, net of certain plan expenses.

Plan participants have the option of investing their account balances among fourteen investment options. These investment options include master trust investment accounts (Master Trust Investment Accounts or MTIAs), commingled trust funds (common collective trusts) and registered investment companies (mutual funds). In addition, participants have the option of investing their account balance in Former Viacom class B common stock. On December 31, 2005, Former Viacom was separated into two publicly traded entities, CBS Corporation (the Company or CBS Corp.) and new Viacom Inc. (New Viacom) (the Separation). The Separation was accomplished pursuant to a merger in which a subsidiary of Former Viacom was merged with and into Former Viacom, with Former Viacom continuing as the surviving entity. On December 31, 2005, Former Viacom was renamed CBS Corporation. As a result of the Separation, each outstanding share of Former Viacom class B common stock was converted into .5 of a share of CBS Corp. Class B Common Stock and .5 of a share of New Viacom class B common stock (Share Conversion). Participant accounts were adjusted to reflect the Share Conversion on January 3, 2006, the first day of trading for CBS Corp. and New Viacom common stock.

WESTINGHOUSE SAVINGS PROGRAM

NOTES TO FINANCIAL STATEMENTS
(Tabular dollars in thousands)

Loans Outstanding

There are no loans outstanding as of December 31, 2005. As the Plan is frozen, no new loans can be requested.

Distributions and Withdrawals

Participants in the Plan, or their beneficiaries, may receive their account balances either in a lump sum, in installments over a period of up to 20 years, or through unlimited withdrawals at any time in the event of retirement. Participants must receive a required minimum distribution upon attainment of age 70 1/2.

Plan Expenses

The fees for investment of Plan assets are charged to the Plan s investment funds. Certain administrative expenses, such as legal and accounting fees, may be paid by the Plan or may be paid by the Company. The Plan paid in the amount of $602,814, to Mellon Bank, a party-in-interest, or its affiliates, for trustee, record keeping and accounting services provided during the year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accrual method of accounting is used for financial statement presentation.

Investment Valuation and Income Recognition

Former Viacom class B common stock is reported at fair value based on quoted market prices on national security exchanges. Investments in registered investment companies are reported at fair value based on quoted market prices representing the net asset value of the units held by the Plan. The fair value of investments in commingled trust funds is determined by each fund s trustee based upon the fair value of the underlying securities. Guaranteed investment contracts and synthetic guaranteed investment contracts are fully benefit-responsive and are therefore reported at contract value, which represents the aggregate amount of deposits thereto, plus interest at the contract rate, less withdrawals. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. Interest income is accrued as earned and dividend income is recorded on the ex-dividend date.

Short-term money market obligations are carried at cost which approximates fair value due to the short-term maturity of these investments.

WESTINGHOUSE SAVINGS PROGRAM

NOTES TO FINANCIAL STATEMENTS
(Tabular dollars in thousands)

Interest in Master Trust Investment Accounts

The Company entered into a master trust agreement (the Master Trust) to invest the assets of the Plan as well as the CBS 401(k) Plan, a defined contribution plan also sponsored by the Company. Pursuant to the Master Trust, the Trustee has created five MTIAs. Prior to April 1, 2005, the MTIAs consisted of the Wellington Growth Portfolio, the Barclays Global Investors S&P 500 Index Fund, Mellon Bank EB SMAM Aggregate Bond Index Fund and the Boston Company Large Cap Value Fund. In April 2005, the Boston Company Large Cap Value Fund was replaced with the Dodge & Cox Value Equity Fund, and the Franklin Portfolio Mid Cap Stock Fund was created to replace the Fidelity Mid Cap Stock Fund, a previously-available registered investment company. The Mellon Bank EB SMAM Aggregate Bond Index Fund and The Boston Company Large Cap Value Fund are each managed by a division or affiliate of the Trustee, a party-in-interest to the Plan. Prior to forming the MTIAs, these investments were held by the plan as commingled trust funds. Each of these MTIAs is maintained exclusively for the Master Trust. Each participating plan has an undivided interest in the MTIAs.

The fair value of a unit of participation in all MTIAs is determined by the Trustee based on the quoted market prices of the underlying securities. Net investment assets and net earnings/losses on the MTIAs are allocated daily to the plans investing in the MTIAs based on each plan s proportionate interest. Income is distributed to participants based on their respective account balances.

Security Transactions

Purchases and sales of securities are recorded on the trade date. The historical average cost basis is used to determine gains or losses on security dispositions.

The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Payment of Benefits

Benefit payments are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan to make estimates and assumptions, such as those regarding fair value of investments, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

Recent Pronouncements

On December 29, 2005, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) AAG INV-1 and SOP 94-1-1 Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare Pension Plans effective for periods ending after December 15, 2006. This FSP clarifies the definition of fully benefit responsive investment contracts and establishes enhanced financial statement presentation and disclosure requirements for defined contribution plans. In addition, benefit responsive investment contracts which are currently stated at contract value, will be stated at fair value. Based on the fair value of benefit responsive investment contracts at December 31, 2005, the adoption of this FSP would not have a material impact on the net assets available for benefits.

WESTINGHOUSE SAVINGS PROGRAM

NOTES TO FINANCIAL STATEMENTS
(Tabular dollars in thousands)

NOTE 3 RISKS AND UNCERTAINTIES

The Plan provides for various investment options. Investment securities are exposed to various risks such as interest rate fluctuations, market conditions and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of such securities, it is at least reasonably possible that changes in investment values in the near term could materially affect participants account balances and the amounts reported in the statements of net assets available for benefits and the related statement of changes in net assets available for benefits.

NOTE 4 INVESTMENTS

The following table presents the Plan s investments:

	At December 31, 2005	2004
Common collective trusts	$ 103,793	$ 82,391
Common stock	72,482	99,334
Guaranteed investment contracts, at contract value	240,184	303,188
Registered investment companies	94,284	120,583
Synthetic guaranteed investment contracts, at contract value	1,145,434	1,163,400
Investments	$ 1,656,177	$ 1,768,896

At December 31, 2005 and 2004, the fair value of the investments at contract value in the aggregate was approximately $1,402,278,216 and $1,534,212,869 respectively.

A synthetic guaranteed investment contract provides for guaranteed returns on principal over a specified period of time through benefit responsive wrapper contracts issued by a third party which are backed by underlying assets. The wrapper contracts provide market and cash flow risk protection to the Plan and provide for the execution of participant initiated transactions in the Plan at contract value. Included in the contract value of the synthetic guaranteed investment contracts is $(17,950,363) and $11,879,301 at December 31, 2005 and 2004, respectively, attributable to wrapper contract providers representing the amounts by which the value of contracts is (less than) greater than the value of the underlying assets.

WESTINGHOUSE SAVINGS PROGRAM

NOTES TO FINANCIAL STATEMENTS
(Tabular dollars in thousands)

The following table presents the assets, by type, that support the Plan s synthetic guaranteed investment contracts:

	At December 31, 2005	At December 31, 2004
Cash and cash equivalents	$ 109,589	$ 56,574
Common collective trusts	399,419	727,587
Fixed income	739,352	393,748