

RAYONIER INC
Form 11-K
June 29, 2005
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED].

For the fiscal year ended December 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

COMMISSION FILE NUMBER 1-6780

**RAYONIER INVESTMENT AND SAVINGS PLAN FOR
SALARIED EMPLOYEES**

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(Full title of the Plan)

RAYONIER INC.

50 North Laura Street

Jacksonville, Florida 32202

Telephone Number: (904) 357-9100

(Principal Executive Office)

(Name and address of Issuer of the securities held pursuant to the Plan)

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RAYONIER INVESTMENT AND SAVINGS

PLAN FOR SALARIED EMPLOYEES

PLAN NUMBER 100

EMPLOYER IDENTIFICATION NUMBER 13-2607329

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

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RAYONIER INVESTMENT AND SAVINGS

PLAN FOR SALARIED EMPLOYEES

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DECEMBER 31, 2004

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustee and Participants of the

Rayonier Investment and Savings Plan for Salaried Employees

We have audited the accompanying statements of net assets available for benefits of Rayonier Investment and Savings Plan for Salaried Employees (the Plan) as of December 31, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 31, 2004. 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. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits 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, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2004 and 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the Index to Financial Statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are 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. These schedules are the responsibility of the Plan s management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic 2004 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

DELOITTE & TOUCHE LLP

Jacksonville, Florida

June 20, 2005

Table of Contents**RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

	DECEMBER 31, 2004			DECEMBER 31, 2003		
	Participant Directed	Non-Participant Directed	Total	Participant Directed	Non-Participant Directed	Total
ASSETS						
Receivables:						
Accrued interest and dividends	\$ 2,065	\$ 399	\$ 2,464	\$ 1,511	\$ 290	\$ 1,801
Member contributions	105,799	54,690	160,489	77,328	37,373	114,701
Total receivables	107,864	55,089	162,953	78,839	37,663	116,502
Investments, at fair value (See Note 3)	73,745,233	48,076,113	121,821,346	70,005,919	41,401,141	111,407,060
Total assets	73,853,097	48,131,202	121,984,299	70,084,758	41,438,804	111,523,562
LIABILITIES						
Accounts payable				25,763		25,763
Total liabilities				25,763		25,763
NET ASSETS AVAILABLE FOR BENEFITS	\$ 73,853,097	\$ 48,131,202	\$ 121,984,299	\$ 70,058,995	\$ 41,438,804	\$ 111,497,799

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

Table of Contents**RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES****STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****FOR THE YEAR ENDED DECEMBER 31, 2004**

	Participant Directed	Non-Participant Directed	Total
<i>INVESTMENT INCOME AND CONTRIBUTIONS</i>			
Investment income:			
Net appreciation in fair value of investments (See Note 3)	\$ 5,131,240	\$ 6,809,896	\$ 11,941,136
Dividends (See Note 4)	541,838	2,051,018	2,592,856
Interest	922,398	26,976	949,374
	<u>6,595,476</u>	<u>8,887,890</u>	<u>15,483,366</u>
Contributions:			
Employer	142,628	1,650,726	1,793,354
Members	4,227,450		4,227,450
	<u>4,370,078</u>	<u>1,650,726</u>	<u>6,020,804</u>
Total investment income and contributions	<u>10,965,554</u>	<u>10,538,616</u>	<u>21,504,170</u>
<i>DISTRIBUTIONS AND EXPENSES</i>			
Distributions to members	6,651,944	4,139,990	10,791,934
Administrative expenses	225,736		225,736
Total distributions and expenses	<u>6,877,680</u>	<u>4,139,990</u>	<u>11,017,670</u>
Net increase prior to transfers	4,087,874	6,398,626	10,486,500
Member-directed transfers	(293,772)	293,772	
Net increase	<u>3,794,102</u>	<u>6,692,398</u>	<u>10,486,500</u>
Net assets available for plan benefits:			
Beginning of year	70,058,995	41,438,804	111,497,799
End of year	<u>\$ 73,853,097</u>	<u>\$ 48,131,202</u>	<u>\$ 121,984,299</u>

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

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RAYONIER INVESTMENT AND SAVINGS

PLAN FOR SALARIED EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

1. Description of the Plan

The following brief description of the Rayonier Investment and Savings Plan for Salaried Employees (the Plan) is provided for general information purposes only. Members should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan covering all eligible full-time salaried employees of Rayonier Inc. (the Company or the Sponsor) upon the first day of the month following the employee's date of hire, provided the employee files an enrollment form at least fifteen days prior to his or her enrollment date. In addition, part-time salaried employees that have worked 1,000 hours in a consecutive twelve-month period are also eligible to join the Plan. Employees covered by a collective bargaining agreement, leased employees or non-resident aliens with no U.S. earned income are excluded by the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Contributions

1. Participant Directed - Each year, members may elect to contribute up to 16 percent of the member's salary, as defined, to the Plan. Contributions may be made on a before-tax basis, an after-tax basis, or a combination thereof.
2. Non-participant Directed - The Company makes a matching contribution of 60 percent of the first 6 percent of each member's salary that is contributed to the Plan. Additionally, the Company contributes one-half of 1 percent of each member's salary to the member's retirement account (retirement contributions).

Matching Company contributions and retirement contributions are invested entirely in the Rayonier Inc. Common Stock Fund. Upon reaching the age of 55, a member may elect to transfer prior and direct future investment of Company and retirement contributions into any available investment under the Plan on an ongoing basis. This allows participants approaching retirement age to reduce the risk of holding the vested Company match and retirement contributions entirely in the Rayonier Inc. Common Stock Fund.

Pre-tax member contributions were limited by the Internal Revenue Service (IRS) to \$13,000 and \$12,000 during 2004 and 2003, respectively. In addition, individuals age 50 or older by the end of the Plan year can make catch-up contributions to the Plan if their contributions would otherwise be limited. These additional pre-tax contributions were limited by the IRS to \$3,000 and \$2,000 during the Plan years ended December 31, 2004 and 2003, respectively.

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(c) Member Accounts

Each member's account is credited with the member's contribution and the related Company contribution. Plan earnings (losses) and administrative expenses are allocated to member accounts based upon account balances.

(d) Vesting

Members are immediately vested in their contributions as well as retirement contributions plus actual earnings/losses thereon. Vesting in the member's Company contribution account plus actual earnings/losses thereon is based on years of service. A member vests 20 percent after each year of service; full vesting occurs after five years of service.

(e) Investment Options

The Plan provides various options for the participants to purchase and sell investment securities. These investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of Plan investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the December 31, 2004 Statement of Net Assets Available for Benefits.

Upon enrollment in the Plan, members may direct their contributions and balance transfers in one percent increments to any of the funds. Members may change their investment options daily, apart from the MassMutual Select Overseas Fund, which limits investment changes to once every thirty days.

Contributions to the Plan may be invested in the following funds:

Rayonier Inc. Stock Fund

This Plan investment option invests in the common stock of Rayonier Inc., and a cash component which provides liquidity. Liquidity is required in order to facilitate daily transactions such as investment transfers or distributions from the fund. The cash component has a target percentage of 5 percent. This Plan investment option is designed to provide long-term capital appreciation.

Stable Value Fund

(Formerly known as Blended Stable Value Fund)

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During the period of January 1, 2004 through October 8, 2004, this fund consisted of two separate investments: the Deutsche Bank Pyramid Open-End Guaranteed Investment Contract (GIC) and the MassMutual Guaranteed Interest Account (GIA). On October 8, 2004, the Plan liquidated its investment in the GIC and transferred the assets into the GIA. Also on October 8, 2004, subsequent to the transfer of the GIC assets into the GIA, the GIA was moved from the Blended Stable Value Fund into the Stable Value Fund.

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The GIA is managed by Babson Capital Management, LLC. The GIA, backed by MassMutual's general assets, is designed to provide stable, long-term investment growth. The fund is composed primarily of high-quality, fixed-income investments including public bonds, private placements, commercial mortgage loans, and short-term investments. Participants are guaranteed preservation of principal and a stated rate of return regardless of economic events while the MassMutual investment agreement is active. The guaranteed interest rate is determined every six months thus allowing plan sponsors and participants to make informed decisions regarding current allocations. The guaranteed interest rate was 4.00 percent as of December 31, 2004 and 2003.

In addition, MassMutual acts as investment manager for the following five funds:

MassMutual Select Strategic Balanced Fund

(Formerly Janus Capital Corporation Balanced Fund)

At its meeting on February 11, 2004, the Company's Pension Fund Trust and Investment Committee (the Plan Committee) approved the replacement of the Janus Capital Corporation (JCC) Balanced Fund with the MassMutual Select Strategic Balanced Fund. This fund is managed by MassMutual and sub-advised by both Salomon Brothers Asset Management Inc. (Salomon) and Western Asset Management Company (Western). The fund is designed to provide long-term growth by investing approximately 60 percent of its fund in stocks, while limiting overall market risk by investing approximately 40 percent of its fund in fixed income securities. The equity portion of the new fund is managed by Salomon and the fixed income portion is managed by Western.

Due to regulatory constraints, MassMutual could not unilaterally move the assets invested in the JCC Balanced Fund before March 30, 2004. The JCC Balanced Fund investment option was terminated and the assets were transferred into the MassMutual Select Strategic Balanced Fund on March 30, 2004, after which participants were able to direct contributions to this fund.

MassMutual Select Indexed Equity Fund

This fund is managed by MassMutual and sub-advised by Northern Trust Investments, N.A. The fund seeks to match the performance of Standard & Poor's (S&P) 500 Index by investing in a representative sample of the stocks comprising that index. The fund's objective is to provide returns that closely approximate those of the S&P 500.

MassMutual Select Small Company Value Fund

This fund is managed by MassMutual and sub-advised by Clover Capital Management, Inc., T. Rowe Price Associates, Inc., and Earnest Partners, LLC. The fund invests in stocks of smaller companies in the small/mid-cap value category. The fund's objective is to provide long-term growth of capital by investing primarily in stocks that are believed to have low valuations relative to the market or to their historical valuations.

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MassMutual Select Small Company Growth Fund

This fund is managed by MassMutual and sub-advised by Mazama Capital Management, Inc. and Eagle Asset Management, Inc. The fund invests in stocks of smaller companies with above average projected earnings growth in the small/mid cap asset category. The fund's objective is to provide long-term capital appreciation by investing primarily in stocks that are believed to offer the potential for long-term earnings growth.

MassMutual Select Overseas Fund

This fund is managed by MassMutual and sub-advised by American Century Global Investment Management, Inc. and Harris Associates L.P. The fund invests 80 percent of its fund in stocks traded in Europe, Latin America and Asia in the international/global asset category. The fund focuses on well-positioned, well-managed businesses having strong revenue growth, sustainable profit margins, capital efficiency and business integrity. The fund's objective is to provide long-term capital growth by investing in both foreign and domestic equity securities.

The Plan also contains the Primco Holding Fund which is not an investment option. The fund is utilized to facilitate transfers and earns a minimal return on monies held in the fund during the transfer process.

(f) **Member Loans**

Members may borrow a minimum of \$1,000 from their fund accounts. Loan amounts may not exceed the lesser of (a) 50 percent of the member's vested balance, excluding retirement accounts, or (b) \$50,000 reduced by the member's highest outstanding loan balance, if any, during the prior one-year period. In no event may a member borrow from retirement contributions provided by the Company. Loan terms range from one to five years or up to fifteen years for the purchase of a primary residence. The loans are secured by the balance in the member's account and bear interest at a rate commensurate with local prevailing rates as determined periodically by the Plan Committee. The outstanding loans bear interest at fixed rates that ranged from 5.00 percent to 10.50 percent at December 31, 2004 and December 31, 2003. Principal and interest are paid ratably through bi-weekly payroll deductions. Loan transactions are treated as transfers between the investment funds and the loan fund. The member loans are recorded in the Investments, at fair value line in the Statements of Net Assets Available for Benefits as of December 31, 2004 and 2003.

Loan repayments in 2004 amounted to \$781,728, while new loans to participants were \$925,317.

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(g) Payment of Benefits and Withdrawals

Plan benefits are payable to participants at the time of termination or retirement (including early retirement), in the case of becoming permanently and totally disabled, or to their beneficiaries in the event of death, and are based on the fully vested balance of their accounts. Alternatively, upon separation from the Company for any reason, a member may elect to defer distribution until March 31 of the year following the member's attainment of age 70½, provided the member's vested account balance exceeds \$5,000. The member may elect to receive one lump-sum payment or benefit payments in annual installments, generally over a period not to exceed twenty years.

Withdrawals of any amount may be made from the individual's after-tax account in excess of a prescribed minimum. Distributions from before-tax accounts are prohibited before attaining the age of 59½ except in the case of death, permanent and total disability or financial hardship. Existence of financial hardship is determined by IRS criteria.

(h) Forfeited Accounts

Forfeited non-vested accounts may be used to reduce future employer contributions or to pay for administrative expenses related to the Plan. In 2004, non-vested accounts totaling \$77,761 were forfeited, of which \$6,884 was used to pay Plan expenses and \$70,877 remains available in the cash component of the Rayonier Inc. Stock Fund to reduce future employer contributions.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements of the Plan are prepared under the accrual method of accounting with the exception of distributions to participants, which are recorded when paid.

(b) Use of Estimates

The preparation of the financial statements requires the use of certain estimates in determining the reported amount of assets and liabilities at the date of the financial statements and the reported amount of contributions, earnings, distributions and expenses during the reporting period. Actual results could differ from those estimates.

(c) Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Investment in Rayonier Inc. common stock is based upon its quoted market price. Member loans are valued at their outstanding principal balances, which approximates fair value.

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Certain Plan investments are shares of commingled investment funds. The fair value of such shares is determined by the Plan's Trustee (Investor's Bank & Trust) and Investment Manager (MassMutual), based upon the current market values of the underlying assets of the commingled funds. The Company has received a copy of the financial statements of each of the commingled investment funds. Statements of Net Assets Available for Benefits as of December 31, 2004 for the MassMutual Select Strategic Balanced Fund, the MassMutual Select Indexed Equity Fund, the MassMutual Select Small Company Value Fund, the MassMutual Select Small Company Growth Fund, and the MassMutual Select Overseas Fund are filed directly with the Department of Labor.

Purchases and sales of securities are recorded on a trade-date basis. The cost of securities sold is determined on the average-cost basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

3. Investments

The following presents both participant and non-participant directed investments of the Plan:

	<u>December 31,</u>	
	<u>2004</u>	<u>2003</u>
Rayonier Inc. Stock Fund (non-participant directed)	\$ 44,679,382*	\$ 40,096,050*
Rayonier Inc. Stock Fund (participant directed)	11,803,402*	13,248,742*
Stable Value Fund (MassMutual GIA)	24,136,358*	17,703,515*
DB Pyramid Open End GIC Fund		4,749,073
MassMutual Select Strategic Balanced Fund**	6,436,455*	7,044,707*
MassMutual Select Indexed Equity Fund	22,968,635*	21,736,630*
MassMutual Select Small Company Value Fund	3,298,597	1,393,939
MassMutual Select Small Company Growth Fund	1,394,647	1,743,687
MassMutual Select Overseas Fund	1,168,761	456,962
Cash and Short-term Investments Fund (non-participant directed)	3,396,731	1,305,023
Cash and Short-term Investments Fund (participant directed)	897,349	431,302
Primco Holding Fund	10	
Member loans receivable	1,641,019	1,497,430
	<u>\$ 121,821,346</u>	<u>\$ 111,407,060</u>

* Denotes investments that represent five percent or more of the Plan's net assets.

** Formerly Janus Capital Corporation Balanced Fund.

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During 2004, the Plan's investments (including gains and losses on investments bought, sold and held during the year) appreciated in value by \$11,941,136 as follows:

Mutual Funds	3,332,201
Common Stock	8,608,935
	<hr/>
Total	\$ 11,941,136
	<hr/>

4. Dividends

Effective January 1, 2004, Rayonier converted to a Real Estate Investment Trust (REIT) and in order to comply with IRS regulations applicable to REITs, the Company was required to dividend to common shareholders its pre-conversion undistributed accumulated taxable earnings and profits. In December 2003, the Plan's Rayonier Inc. Common Stock Fund received this special dividend which consisted of 202,456 common shares valued at \$8,052,684.

In addition, the Plan received regular cash dividends of \$2.24 per share of Rayonier stock owned, totaling \$2,592,856 for the year ended December 31 2004.

5. Related Party Transactions

Investor's Bank and Trust (IBT) is the Plan's Trustee and MassMutual is both the record keeper and investment manager of the Plan. Transactions with IBT and MassMutual qualify as party-in-interest transactions. In 2004, the Plan incurred \$218,852 in investment management fees related to the MassMutual Select funds. In addition, the Plan Sponsor paid \$10,921 to MassMutual for Plan record keeping expenses in 2004.

Certain Plan investments are in Rayonier Inc. common stock. As Rayonier Inc. is the Sponsor, these transactions also qualify as party-in-interest transactions. At December 31, 2004 and 2003, the Plan held 1,154,831 and 1,285,107 shares of Rayonier Inc. common stock, respectively, which represented an ownership interest of 2.31 percent and 2.62 percent, respectively, of the total outstanding shares on those dates.

6. Plan Termination

Although it has not expressed any 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 Plan termination, members will become 100 percent vested in their accounts.

7. Reconciliation of Financial Statements to Form 5500

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No reconciliation of net assets available for benefits, or distributions to members, per the financial statements to the Plan's tax return filed on IRS Form 5500 is required as there were no differences between the amounts reported in the financial statements and the IRS Form 5500 filings in 2004.

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8. Tax Status

The Internal Revenue Service has determined and informed the Plan Administrator by a letter dated July 8, 2004, that the Plan is designed in accordance with the applicable requirements of the Internal Revenue Code (IRC), therefore, no provision for income taxes has been included in the Plan s financial statements.

9. Administrative Expenses

Investment management expenses for each of the Plan s MassMutual investment options are applied against each fund s return at the participant level. During 2004, the Plan incurred \$218,852 in investment management fees related to the MassMutual Select funds. The Plan also incurred \$6,884 in investment management fees related to the Deutsche Bank Pyramid Open-End GIC, which were paid with funds available through forfeited non-vested accounts. In addition, the Plan Sponsor paid Mass Mutual \$10,921 for 2004 Plan record keeping expenses.

10. Plan Amendments

In December 2002, the Plan added an employee stock ownership plan feature that provided participants the option of electing to either have dividends (a) reinvested in Rayonier common stock or (b) be paid directly for dividends. The feature was intended to operate within the meaning of 4975 (e) (7) of the IRC. However, since the Company has converted to a REIT effective January 1, 2004, it can no longer directly participate in a 401(k) plan with an embedded ESOP feature. As such, the Plan has been amended to remove this provision effective as of January 1, 2004 and all future Rayonier common stock dividends will automatically be reinvested.

On April 7, 2005, the Plan Administration Committee approved an amendment to the Plan to remove the age restriction on elections to transfer matching Company contributions and retirement contributions into any available investment under the Plan on an ongoing basis. The amendment will be effective on July 1, 2005.

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SCHEDULE H, Line 4i

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES**SCHEDULE H, LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)****AS OF DECEMBER 31, 2004****PLAN NUMBER 100****EMPLOYER IDENTIFICATION NUMBER 13-2607329**

Description	Units	Cost	Current Value
* Primco Holding Fund	10	\$ 10	\$ 10
* Stable Value Fund	24,136,358	24,136,358	24,136,358
* MassMutual Select Indexed Equity Fund	207,498	17,966,571	22,968,635
* MassMutual Select Overseas Fund	10,388	988,932	1,168,761
* MassMutual Select Small Company Growth Fund	12,261	1,351,084	1,394,647
* MassMutual Select Small Company Value Fund	22,428	2,787,087	3,298,597
* MassMutual Select Strategic Balanced Fund ¹	62,606	6,196,604	6,436,455
* Cash and Short-term Investment Fund	4,294,080	4,294,080	4,294,080
* Rayonier Inc. Stock Fund ²	1,154,831	34,765,121	56,482,784
* Member loans receivable ³	1,641,019	1,641,019	1,641,019
		\$ 94,126,866	\$ 121,821,346

* Denotes Party In-Interest transaction.

¹ Formerly Janus Capital Corporation Balanced Fund² Denotes actual shares held by Plan.³ The loans bear fixed interest rates that range from 5.00 percent to 10.50 percent.

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SCHEDULE H, Line 4j

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES

SCHEDULE H, LINE 4j: SCHEDULE OF REPORTABLE TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2004

PLAN NUMBER 100

EMPLOYER IDENTIFICATION NUMBER 13-2607329

<u>Identity of Party Involved</u>	<u>Description of Asset</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Cost of Asset</u>	<u>Current Value of Asset on Transaction Date</u>	<u>Net Gain /(Loss)</u>
Blended Stable Value Fund	MassMutual GIA	\$	\$ 24,539,647	\$ 22,763,435	\$ 24,539,647	\$ 1,776,212
Stable Value Fund	MassMutual GIA	\$ 24,539,647	\$	\$	\$	\$

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administration Committee for the Rayonier Investment and Savings Plan for Salaried Employees has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

Rayonier Investment and Savings Plan for Salaried Employees
(Name of Plan)

June 29, 2005

/s/ W. EDWIN FRAZIER, III

W. Edwin Frazier, III
Plan Administrator