

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2010
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>TOWERS PERRIN 401(K) SAVINGS PLAN</u>	1b Three-digit plan number (PN) ► <u>002</u> 1c Effective date of plan <u>01/01/1973</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>TOWERS WATSON PENNSYLVANIA, INC.</u> <u>1500 MARKET ST</u> <u>CENTER SQUARE EAST</u> <u>PHILADELPHIA, PA 19102-2146</u>	2b Employer Identification Number (EIN) <u>23-1159360</u> 2c Sponsor's telephone number <u>215-246-6000</u> 2d Business code (see instructions) <u>541600</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/11/2011</u>	<u>MAYA KATZ</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/11/2011</u>	<u>MAYA KATZ</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") TOWERS WATSON PENNSYLVANIA, INC. 1500 MARKET ST CENTER SQUARE EAST PHILADELPHIA, PA 19102-2146	3b Administrator's EIN 23-1159360 3c Administrator's telephone number 215-246-6000
--	---

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
---	-----------------------------------

5 Total number of participants at the beginning of the plan year	5	7096
---	----------	------

6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	3038
b Retired or separated participants receiving benefits.....	6b	781
c Other retired or separated participants entitled to future benefits.....	6c	2736
d Subtotal. Add lines 6a , 6b , and 6c	6d	6555
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	14
f Total. Add lines 6d and 6e	6f	6569
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	6287
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	190

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
--	----------	--

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
--	---

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010					
A Name of plan TOWERS PERRIN 401(K) SAVINGS PLAN				B Three-digit plan number (PN) ▶ 002	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 TOWERS WATSON PENNSYLVANIA, INC.				D Employer Identification Number (EIN) 23-1159360	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: TOWERS PERRIN MASTER TRUST					
b Name of sponsor of entity listed in (a): TOWERS WATSON PENNSYLVANIA, INC.					
c EIN-PN 23-1159360-004		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 911531417	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e	

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010	
A Name of plan TOWERS PERRIN 401(K) SAVINGS PLAN	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 TOWERS WATSON PENNSYLVANIA, INC.	D Employer Identification Number (EIN) 23-1159360

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1106689	1067278
(2) Participant contributions	1b(2)	562185	448663
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	7763656	7230926
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	881378769	911531417
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	890811299	920278284

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	890811299	920278284
---	-----------	-----------	-----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	16930670	
(B) Participants	2a(1)(B)	28261761	
(C) Others (including rollovers)	2a(1)(C)	1580117	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		46772548
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	411549	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		411549
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		110542779
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		157726876

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	128258387	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		128258387
f Corrective distributions (see instructions)	2f		1504
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		128259891

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		29466985
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: DELOITTE & TOUCHE, LLP

(2) EIN: 13-3891517

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>TOWERS PERRIN 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TOWERS WATSON PENNSYLVANIA, INC.</u>	D Employer Identification Number (EIN) <u>23-1159360</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>43-6389220</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>994</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Financial Statements and Independent Auditors' Report

Towers Perrin 401(k) Savings Plan

December 31, 2010 and 2009

Contents

	Page
Independent Auditors' Report	2
Financial statements as of December 31, 2010 and 2009 and for the year ended December 31, 2010:	
Statements of net assets available for benefits	3
Statement of changes in net assets available for benefits	4
Notes to financial statements	5
Supplemental schedule as of December 31, 2010:	
Form 5500, Schedule H, Part IV, Line 4i - schedule of assets (held at end of year)	17

Note: All other 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 have been omitted because they are not applicable.

INDEPENDENT AUDITORS' REPORT

To the Plan Administration Committee of Towers Watson & Co.
and the Trustee and Participants of the
Towers Perrin 401(k) Savings Plan
Stamford, Connecticut

We have audited the accompanying statements of net assets available for benefits of the Towers Perrin 401(k) Savings Plan (the "Plan") as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the year ended December 31, 2010. 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 auditing standards generally accepted in the United States of America. 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 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 at December 31, 2010 and 2009, and the changes in net assets available for benefits for the year ended December 31, 2010 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 schedule of Form 5500, Schedule H, Part IV, Line 4i, Schedule of Assets (Held at End of Year) as of December 31, 2010, 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. Such supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic 2010 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2010 financial statements taken as a whole.



September 30, 2011

Towers Perrin 401(k) Savings Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

As of December 31,

	<u>2010</u>	<u>2009</u>
Assets		
Plan interest in Towers Perrin Master Trust	\$ 911,531,417	\$ 881,378,769
Notes receivable from participants	7,230,926	7,763,656
Employer contributions receivable	1,067,278	1,106,689
Employee contributions receivable	<u>448,663</u>	<u>562,185</u>
Net assets available for benefits	<u>\$ 920,278,284</u>	<u>\$ 890,811,299</u>

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

Towers Perrin 401(k) Savings Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31, 2010

Increase (decrease)	
Employee contributions	\$ 28,261,761
Employer contributions	16,930,670
Rollover contributions	1,580,117
Interest income on notes receivable from participants	411,549
Plan interest in the Towers Perrin Master Trust, net	110,542,779
Benefit payments to participants and beneficiaries	<u>(128,259,891)</u>
Net increase	29,466,985
Net assets available for benefits, beginning of year	<u>890,811,299</u>
Net assets available for benefits, end of year	<u><u>\$ 920,278,284</u></u>

The accompany notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 and 2009

NOTE A - DESCRIPTION OF THE PLAN

The following description of the Towers Perrin 401(k) Savings Plan (the Plan) is for general information purposes only. More complete information regarding the Plan's provisions may be found in the Plan document.

1. General

The Plan is a defined contribution plan sponsored by Towers Watson Pennsylvania, Inc. (the Company or Plan Sponsor) (formerly Towers, Perrin, Forster & Crosby, Inc.) covering substantially all full-time U.S. employees. The Plan Administration Committee of the Board of Directors of the Towers Watson & Co., the parent of the Company, controls and manages the operations of the Plan. State Street Bank & Trust Company serves as trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The investment assets of the Plan are combined with those of the Tillinghast-Towers, Perrin, Forster & Crosby, Inc. Money Purchase Pension Plan (the TNW Plan), another plan sponsored by the Company, and are invested in the Towers Perrin Master Trust (Master Trust) (see Note C).

On January 1, 2010, pursuant to the Agreement and Plan of Merger, as amended, Watson Wyatt Worldwide, Inc. and the Company combined their businesses through two simultaneous mergers and became wholly-owned subsidiaries of Jupiter Saturn Holding Company, which changed its name to Towers Watson & Co. (Towers Watson) on that date. Additionally, as a result of the merger, the name of the Plan Sponsor was changed from Towers, Perrin, Forster & Crosby, Inc. to Towers Watson Pennsylvania, Inc.

On August 27, 2010, the compensation committee and the Board of Directors of the Plan Sponsor voted to amend the terms of the Plan. Effective January 1, 2011, all eligible employees hired subsequent to that date will participate in a new savings plan design which will provide for 100% match on the first 2% of pay and 50% match on the next 4% of pay, and vesting at 100% for employer contributions upon two years of service. All other participants hired prior to January 1, 2011 will continue to participate in the Plan under the current design until January 1, 2012, at which time the new savings plan design will be effective for all participants.

2. Contributions

Subject to Internal Revenue Service (IRS) limitations on elective deferral contributions, non-highly compensated employees, as defined in the Plan, may contribute whole percentages from 1% to 30% of their total cash compensation, as defined in the Plan document. Subject to IRS limitations on elective deferral contributions, highly compensated employees, as defined in the Plan document, may contribute up to 12% of their total cash compensation. Elective deferral contributions are directed by the participant. Participants aged 50 and older may make "catch-up" contributions to the Plan from 1% to 50% of their total cash compensation as defined in the Plan document, and subject to IRS limitations. The Company matches participant contributions dollar for dollar up to the first 5% of total cash compensation. Company profit sharing contributions are determined at the discretion of the Company's Board of Directors. There were no profit sharing contributions in 2010.

Participants may also contribute amounts representing rollovers from other qualified plans.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010 and 2009

NOTE A – DESCRIPTION OF THE PLAN – Continued

Each participant's account is credited with the participant's contribution, Company matching contributions and allocations of the Company's discretionary profit sharing contribution and Plan net earnings, and charged with withdrawals and an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

3. Vesting and Forfeitures

Participants are vested immediately in their own contributions. Company matching contributions vest according to a graded vesting schedule over 5 years. Upon termination of employment, Plan forfeitures of nonvested amounts are either utilized to reduce future matching contributions or to restore eligible accounts previously forfeited due to a break in service. Amounts restored are funded first through current forfeitures and then through additional contributions by the employer. In 2010, forfeited nonvested accounts totaling \$399,941 were used to reduce employer contributions. The balance of unused forfeitures was \$176,396 and \$223,652 at December 31, 2010 and 2009, respectively.

4. Notes Receivable From Participants

Participants may borrow up to 50% of their account balance. The minimum loan is \$1,000, and the maximum is \$50,000. Loans are secured by the balance in the participant's account. Repayment must be made over a period not to exceed five years, and participant loan repayments may not exceed 25% of their gross semimonthly salary at the time the loan is made. The interest rate for all loans is fixed and determined by reference to the prime rate published in the Wall Street Journal plus 1% at the time of origination.

5. Payment of Benefits

Upon termination of employment, participants may elect to receive the balance in their accounts in a single lump sum either at that time or at a later date or in installments. Participant distributions are made net of applicable taxes. If a participant is terminated from the Company and has not reached age 70-1/2, the participant fails to consent to such distribution, and if their account balance exceeds \$1,000 but not \$5,000, the participant's vested balance will be transferred into an individual retirement account selected by the Plan Sponsor. Benefits payments to participants are recorded when paid.

6. Administrative Expenses

Under the Plan document, the Master Trust bears all investment management expenses, trustee fees and other fees incidental to the management of the Master Trust. Allocated fees are included as a component of the change in fair value of investment in the Master Trust in the accompanying statement of changes in net assets available for benefits.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010 and 2009

NOTE A – DESCRIPTION OF THE PLAN – Continued

7. Plan Termination

Towers Watson reserves the right at any time by action of its Board of Directors to terminate the Plan in whole or in part. In the event the Plan is terminated or upon the complete discontinuance of contributions under the Plan document, the trustee shall continue to administer the Plan in accordance with the relevant provisions of the Plan, and each participant shall have a fully vested right in the value of his or her account balance. In the event of the termination of the Master Trust, either as a result of, or incidental to, the termination of the Plan, the values of the Company contribution accounts, determined as of the effective date of such termination, shall be paid to the participants or their beneficiaries. Although the Company has not expressed any intent to terminate the Plan, it may do so at any time.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

3. Investment Valuation and Income Recognition

Investments are carried at fair value. The Plan follows the guidance of Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* (ASC 820), which establishes a framework for measuring fair value. See Note E for a discussion of fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

4. Adopted Guidance

Notes Receivable From Participants

In September 2010, the Financial Accounting Standards Board issued Accounting Standards Update 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*, (ASU 2010-25). The guidance in ASU 2010-25 indicates that participant loans should be classified as notes receivable from participants in the financial statements of a defined contribution pension plan. ASU 2010-25 is effective for fiscal years ending after December 15, 2010. The Plan adopted this provision on December 31, 2010, and applied it retrospectively. This provision did not have a material impact on the Plan's financial statements.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010 and 2009

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Fair Value Measurements

In January 2010, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2010-06, *Improving Disclosures About Fair Value Measurements*, which amends ASC 820 to require disclosure of significant transfers between levels 1, 2 and 3 of the fair value hierarchy, further disaggregation of derivative contracts for fair value measurement disclosures and additional disclosures about fair value measurement inputs and valuation techniques. This standard is effective for interim and annual periods beginning after December 15, 2009 and is therefore applicable to the Plan for the year ended December 31, 2010. See Note E for the additional disclosures required by the standard.

NOTE C – INTEREST IN THE MASTER TRUST

The assets of the Plan are combined with those of the TNW Plan and are invested in a Master Trust. At December 31, 2010 and 2009, the Plan's interest in the net assets of the Master Trust was approximately 98.88% and 98.52%, respectively (see Note D).

The Master Trust was established to invest and manage the assets of the Plan and the assets of the TNW Plan. The trustee of the Master Trust is responsible for the safekeeping of the Plan's assets together with income (losses) and is responsible for making disbursements to participants on behalf of participating plans, as instructed. Investment decisions are made by investment advisors appointed by the Plan Administration Committee specifically for that purpose. Expenses incurred by the trustee and investment advisors in the performance of their duties under these agreements, including fees for their services, are paid by the Master Trust.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010 and 2009

NOTE C – INTEREST IN THE MASTER TRUST – Continued

The following table presents the net assets of the Master Trust:

	December 31,	
	2010	2009
Investments, at fair value		
Short-term investments	\$ 71,107,513	\$ 2,707,929
Government securities	20,888,348	20,059,310
Corporate debt	17,519,628	17,667,152
Common stock	4,665	61,903
Preferred stock	185,227	198,512
Commingled trust funds	474,374,366	551,117,829
Mutual funds	340,051,147	300,546,669
Mortgages	4,763,377	3,714,712
Other	<u>814,876</u>	<u>433,352</u>
Total investments	929,709,147	896,507,368
Dividends and interest receivable	599,617	674,521
Receivable for investments sold	10,731,693	833,480
Accrued fees	(619,257)	(484,722)
Payable for investments purchased	<u>(18,546,483)</u>	<u>(2,944,777)</u>
Net assets of the Master Trust	<u>\$ 921,874,717</u>	<u>\$ 894,585,870</u>

Net investment income for the Master Trust for the year ended December 31, 2010 is as follows:

Net appreciation in fair value of investments:

Government securities	\$ 1,238,485
Corporate debt	1,436,622
Common stock	(50,152)
Preferred stock	122,533
Commingled trust funds	69,860,899
Mutual funds	27,312,524
Mortgages	932,760
Other	<u>31,836</u>
Total	100,885,507
Interest and dividend income	12,540,679
Fees	<u>(1,600,299)</u>
Net investment income	<u>\$111,825,887</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010 and 2009

NOTE D – INVESTMENTS

Participants may invest in nine asset classes and five diversified portfolio mixes that are constructed based on different percentage interests in six of the asset classes. In addition, participants can choose to construct their own custom portfolio. Refer to Note E for a discussion of fair value measurements.

The relative percentage interest of the plans participating in the Master Trust, by asset class and mix, are as follows:

	2010		2009	
	<u>The Plan</u>	<u>TNW Plan</u>	<u>The Plan</u>	<u>TNW Plan</u>
Mix A*	98.31%	1.69%	99.37%	0.63%
Mix B*	99.52	0.48	98.94	1.06
Mix C*	99.52	0.48	99.23	0.77
Mix D*	99.17	0.83	98.75	1.25
Mix E*	98.90	1.10	98.77	1.23
Money Market	98.99	1.01	95.88	4.12
Bonds	99.54	0.46	99.55	0.45
Large Cap	97.33	2.67	97.58	2.42
Small Cap	98.80	1.20	98.80	1.21
International	99.31	0.69	99.52	0.48
S&P Index	97.38	2.62	97.34	2.66
TIPS	99.50	0.50	99.37	0.63
High-Yield Bonds	98.93	1.07	97.66	2.34
REIT	<u>98.22</u>	<u>1.78</u>	<u>99.66</u>	<u>0.34</u>
Total allocation percentage	<u>98.88%</u>	<u>1.12%</u>	<u>98.52%</u>	<u>1.48%</u>

* Mixes A, B, C, D and E are comprised of varying combinations and percentages of some or all of the money market, bonds, large cap, small cap, international and TIPS funds.

The percentages above are utilized for purposes of allocating investments and the earnings (losses) thereon, from the Master Trust to the Plan and the TNW Plan.

NOTE E – FAIR VALUE MEASUREMENTS

The Plan follows the guidance of ASC 820, which establishes a 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 ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010 and 2009

NOTE E – FAIR VALUE MEASUREMENTS – Continued

Level 2 Inputs to the valuation methodology include

- a) Quoted prices for similar assets or liabilities in active markets;
- b) Quoted prices for identical or similar assets or liabilities in inactive markets;
- c) Inputs other than quoted prices that are observable for the asset or liability; and
- d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used.

Short-term investments and Commingled Trust Funds: Valued at the net asset value of shares held by the Plan at year end. The investment manager determines the net asset values of shares by reference to the quoted market prices of the underlying investments held in the portfolio and by reference to the closing market price of the underlying investment held in the fund.

Government securities: Valued at the closing price reported in the active market in which the individual security is traded. Other government securities are valued based on yields currently available for comparable securities of issues with similar credit ratings.

Common and Preferred Stock: Valued at the closing price reported in the active market in which the stock is traded.

Corporate Debt: Valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual Funds: Valued at the closing price reported in the active market in which the fund is traded.

Mortgages: Valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar investments.

Other investments: Valued based on yields currently available on comparable securities of issuers with similar credit ratings.

The preceding methods described may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan and Master Trust believe its valuation methodologies 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 fair value measurement at the reporting date.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010 and 2009

NOTE E – FAIR VALUE MEASUREMENTS – Continued

The following table sets forth by nature, risk and level within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 1	\$ 71,107,512	\$ –	\$ 71,107,513
Government securities	3,967,687	16,920,661	–	20,888,348
Corporate debt (S&P rating of A or higher)	–	6,744,101	–	6,744,101
Corporate debt (S&P rating of lower than A)	–	10,775,527	–	10,775,527
Common and preferred stock:				
US Mid Cap Companies	120,337	–	–	120,337
US Small Cap Companies	69,555	–	–	69,555
Commingled trust funds:				
Large cap equity funds	–	218,606,860	–	218,606,860
Small cap equity funds	–	89,562,590	–	89,562,590
International funds	–	39,030,386	–	39,030,386
Bond funds	–	6,355,971	–	6,355,971
Other funds	–	120,818,559	–	120,818,559
Mutual funds:				
Large cap equity funds	4,881,184	–	–	4,881,184
Mid cap equity funds	55,106,933	–	–	55,106,933
Small cap equity funds	35,657,891	–	–	35,657,891
International funds	65,676,437	–	–	65,676,437
Bond funds	165,576,022	–	–	165,576,022
Other funds	13,152,680	–	–	13,152,680
Mortgages	–	4,763,377	–	4,763,377
Other investments	–	814,876	–	814,876
Total Master Trust assets at fair value	<u>\$344,208,727</u>	<u>\$585,500,420</u>	<u>\$ –</u>	<u>\$ 929,709,147 **</u>

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010 and 2009

NOTE E – FAIR VALUE MEASUREMENTS – Continued

The following table sets forth by nature, risk and level within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2009:

	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 516,638	\$ 2,191,291	\$ –	\$ 2,707,929
Government securities	19,236,014	823,296	–	20,059,310
Corporate debt	17,603,153	63,999	–	17,667,152
Common stock	1,983	365	59,555	61,903
Preferred stock	44,782	153,730	–	198,512
Commingled trust funds:				
Large cap equity funds	–	209,623,194	–	209,623,194
Small cap equity funds	–	59,837,538	–	59,837,538
International funds	–	67,264,683	–	67,264,683
Bond funds	–	12,016,544	–	12,016,544
Other funds	–	202,375,870	–	202,375,870
Mutual funds:				
Large cap equity funds	2,748,382	–	–	2,748,382
Mid cap equity funds	40,336,466	–	–	40,336,466
Small cap equity funds	36,901,455	–	–	36,901,455
International funds	60,517,654	–	–	60,517,654
Bond funds	149,918,165	–	–	149,918,165
Other funds	10,124,547	–	–	10,124,547
Mortgages	3,710,706	4,006	–	3,714,712
Other investments	334,514	98,838	–	433,352
Total Master Trust assets at fair value	<u>\$341,994,459</u>	<u>\$554,453,354</u>	<u>\$ 59,555</u>	<u>\$ 896,507,368 **</u>

** The Plan's interest in the net assets of the Master Trust at December 31, 2010 and 2009 was approximately 98.88% and 98.52%, respectively (Note D).

The Master Trust recognized a net \$98,271,916 gain for the year ended December 31, 2010 included in the change in net assets that is attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at December 31, 2010. The net unrealized gain was included within the Plan interest in the Towers Perrin Master Trust on the accompanying statement of changes in net assets available for benefits.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010 and 2009

NOTE E – FAIR VALUE MEASUREMENTS – Continued

The following table sets forth a summary of changes in the fair value of the Master Trust's level 3 assets for the years ended December 31:

	Common Stock	
	2010	2009
Balance, beginning of year	\$ 59,555	\$ 83,382
Realized losses	(50,805)	(7,813)
Unrealized losses	–	(16,014)
Purchases, sales, issuances, and settlements, net	(8,750)	–
Balance, end of year	<u>\$ –</u>	<u>\$ 59,555</u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2010, the Master Trust's investments in corporate debt and mortgages were transferred from level 1 investments to level 2 in their totality. This transfer was made to conform to the valuation policies of Towers Watson as part of Towers Watson's overall policy alignment activities following the Merger. There were no other significant transfers between levels 1, 2 or 3. The following table presents a summary of the activity for corporate debt and mortgages during the year ended December 31, 2010:

	Corporate debt		Mortgages	
	Level 1	Level 2	Level 1	Level 2
Balance, beginning of year	\$17,603,153	\$ 63,999	\$ 3,710,706	\$ 4,006
Transfer between levels	(17,603,153)	17,603,153	(3,710,706)	3,710,706
Realized gains	–	534,320	–	266,668
Unrealized gains	–	902,302	–	666,092
Purchases, sales, issuances, and settlements, net	–	(1,584,146)	–	115,905
Balance, end of year	<u>\$ –</u>	<u>\$ 17,519,628</u>	<u>\$ –</u>	<u>\$ 4,763,377</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010 and 2009

NOTE F – TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated August 3, 2005, that the Plan and related trust were designed in accordance with the applicable regulations of the Internal Revenue Code (IRC). The Company and Plan management believe that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC, and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. generally accepted accounting principles requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010 and 2009, there are no uncertain 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. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

NOTE G – EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Master Trust investments are held in funds managed by State Street Bank & Trust Company, the trustee, or by investment managers responsible for managing the Master Trust's investment portfolio. Additional Master Trust investments are held in funds managed by J.P. Morgan Bank, N.A., the recordkeeper for the Plan. Transactions with the trustee, investment managers and recordkeeper qualify as party-in-interest transactions. Allocated fees are included as a component of the decrease in fair value of investment of the Master Trust in the accompanying statement of changes in net assets available for benefits.

NOTE H – RISKS AND UNCERTAINTIES

The Master Trust invests in various securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE I – SUBSEQUENT EVENTS

The Plan evaluated events occurring between the fiscal year end, December 31, 2010, and September 30, 2011, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

**FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS
(HELD AT END OF YEAR)**

EIN 23-1159360

Plan No. 002

December 31, 2010

* Denotes party-in-interest.

(a)	(b) Identify of issue, borrower lessor or similar party	(c) Description	(d) Current fair value
*	Participant loans	Interest rates ranging from 4.25% through 10.5% maturing through 2016	<u>\$ 7,230,926</u>

Plan Name	Towers Perrin 401(K) Savings Plan	EIN:	23-1159360
Plan Sponsor's Name	Towers Watson Pennsylvania, Inc.	PN:	002

[illegible]