

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), 6057(b), 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
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</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, including room or suite number (Employer, if for single-employer plan) <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>10/16/2012</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>10/16/2012</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 (2011)
v.012611

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
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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
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5 Total number of participants at the beginning of the plan year	5	6581
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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	3680
b Retired or separated participants receiving benefits.....	6b	535
c Other retired or separated participants entitled to future benefits.....	6c	2509
d Subtotal. Add lines 6a , 6b , and 6c	6d	6724
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	19
f Total. Add lines 6d and 6e	6f	6743
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	5952
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	140

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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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)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(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)

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning	01/01/2011	and ending	12/31/2011
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A Name of plan TOWERS PERRIN 401(K) SAVINGS PLAN	B Three-digit plan number (PN)	► 002
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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
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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)
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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.
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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) 866930835
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a Name of MTIA, CCT, PSA, or 103-12 IE:
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:
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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)
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a Name of MTIA, CCT, PSA, or 103-12 IE:
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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)
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For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

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
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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
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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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 <div style="font-size: 24pt; font-weight: bold;">2011</div> This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
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		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	1067278	1091050
	(2) Participant contributions	1b(2)	448663	1184265
	(3) Other.....	1b(3)		456898299
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)	7230926	7505741
	(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)	911531417	866930835
	(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	920278284	1333610190

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	920278284	1333610190
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	15389200	
(B) Participants	2a(1)(B)	27693242	
(C) Others (including rollovers)	2a(1)(C)	2155689	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		45238131

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)	330585	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		330585

(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)		
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(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)		3983291
(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		49552007

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	93125022	
(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)		93125022
f Corrective distributions (see instructions)	2f		
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		93125022

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-43573015
l Transfers of assets:			
(1) To this plan.....	2l(1)		456904921
(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 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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
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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	

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)
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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 (include any prior year accumulated funding deficiency not waived)	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 or other authority 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
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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. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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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.
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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) 2011
v.012611

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): _____

INDEPENDENT AUDITORS' REPORT

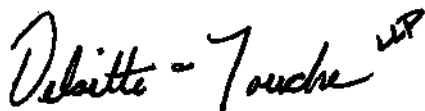
To the Trustees and Participants of
Towers Perrin 401(k) Savings Plan

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, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. 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 as of December 31, 2011 and 2010, and the changes in its net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for the purpose of additional analysis and is not a required part of the 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. This schedule is the responsibility of the Plan's management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such schedule has been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedule is fairly stated in all material respects in relation to the financial statements as a whole.



October 12, 2012

Towers Perrin 401(k) Savings Plan

Employer ID No: 23-1159360
Plan Number: 002

Financial Statements as of December 31, 2011 and
2010, and for the Year Ended December 31, 2011,
Supplemental Schedule as of December 31, 2011,
and Independent Auditors' Report

TOWERS PERRIN 401(k) SAVINGS PLAN

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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

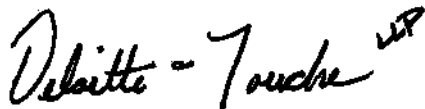
To the Trustees and Participants of
Towers Perrin 401(k) Savings Plan

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, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. 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 as of December 31, 2011 and 2010, and the changes in its net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for the purpose of additional analysis and is not a required part of the 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. This schedule is the responsibility of the Plan's management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such schedule has been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedule is fairly stated in all material respects in relation to the financial statements as a whole.



October 12, 2012

TOWERS PERRIN 401(k) SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS:		
Plan interest in Towers Perrin Master Trust	\$ 866,930,835	\$911,531,417
Notes receivable from participants	7,505,741	7,230,926
Employer contributions receivable	1,091,050	1,067,278
Employee contributions receivable	1,184,265	448,663
Transfer receivable	<u>456,898,299</u>	<u> </u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$1,333,610,190</u>	<u>\$920,278,284</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, 2011

INCREASE (DECREASE):	
Employee contributions	\$ 27,693,242
Employer contributions	15,389,200
Rollover contributions	2,155,689
Interest income on notes receivable from participants	330,585
Plan interest in the Towers Perrin Master Trust — net	3,983,291
 BENEFIT PAYMENTS TO PARTICIPANTS AND BENEFICIARIES	 (93,125,022)
 TRANSFERS IN FROM OTHER PLANS	 <u>456,904,921</u>
 NET INCREASE	 413,331,906
 NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	 <u>920,278,284</u>
 NET ASSETS AVAILABLE FOR BENEFITS — End of year	 <u>\$1,333,610,190</u>

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

TOWERS PERRIN 401(k) SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2011 AND 2010, AND FOR THE YEAR ENDED DECEMBER 2011

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.

General — On January 1, 2010, pursuant to the Agreement and Plan of Merger, as amended, Watson Wyatt Worldwide, Inc. and Towers, Perrin, Forster & Crosby, Inc. 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. (the Company or Plan Sponsor)

The Plan is a defined contribution plan sponsored by Towers Watson Pennsylvania, 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 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.

Effective upon completing plan operations on December 31, 2011, the Watson Wyatt & Company Savings Plan merged into the Towers Perrin 401(k) Savings Plan, as sponsored by Towers Watson Pennsylvania. As a result of the merger, \$456,898,299 in assets were transferred into the Plan.

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 2011.

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

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.

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 2011, forfeited non-vested accounts totaling \$1,090,364 were used to reduce employer contributions. The balance of unused forfeitures was \$0 and \$176,396 at December 31, 2011 and 2010, respectively.

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. 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.

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.

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 Plan interest in the Towers Perrin Master Trust in the accompanying statement of changes in net assets available for benefits.

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.

Prior Year Disclosure of Investments — Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2009-12, *Fair Value Measurements and Disclosures (Topic 820)*, adopted in the prior year, requires certain disclosures by major investment category, such as the investment strategies of the investees, redemption restrictions, and total funding commitments. Additional prior year disclosures were added to Note E in the current year in order to comply with ASU 2009-12.

FASB Accounting Standards Codification (ASC) 962, *Plan Accounting — Defined Contribution Pension Plans*, requires disclosure of investments greater than 5% of net assets available for benefits. Additional prior year disclosures were added to Note C in the current year in order to comply with FASB (ASC) ASC62.

Management does not believe such omitted disclosures are material to the previously issued financial statements.

B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates — The preparation of financial statements in conformity with GAAP 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.

Investment Valuation and Income Recognition — Investments are carried at fair value. The Plan follows the guidance of (ASC) ASC20, *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.

C INTEREST IN THE MASTER TRUST

The assets of the Plan are combined with those of the Tillinghast-Towers, Perrin, Forster & Crosby, Inc. Money Purchase Plan (TNW Plan) and are invested in a Master Trust. At December 31, 2011 and 2010, the Plan's interest in the net assets of the Master Trust was approximately 98.95% and 98.88%, 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.

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

	December 31,	
	2011	2010
Investments, at fair value:		
Short-term investments	\$ 75,683,694	\$ 71,107,513
Government securities		20,888,348
Corporate debt	308,132	17,519,628
Common stock		4,665
Preferred stock		185,227
Commingled trust funds	376,837,987	474,374,366
Mutual funds	423,512,804	340,051,147
Mortgages		4,763,377
Other	395	814,876
Total investments	876,343,012	929,709,147
Dividends and interest receivable	308,820	599,617
Receivable for investments sold	65,183,273	10,731,693
Accrued fees	(826,972)	(619,257)
Payable for investments purchased	(64,854,694)	(18,546,483)
Net assets of the Master Trust	\$ 876,153,439	\$ 921,874,717

Net investment income for the Master Trust for the year ended December 31, 2011 is as follows:

Net appreciation/(depreciation) in fair value of investments:	
Government securities	\$ 725,348
Corporate debt	(106,317)
Common stock	(846)
Preferred stock	(12,273)
Commingled trust funds	(846,028)
Mutual funds	(8,380,989)
Mortgages	(549,373)
Other	72,529
Total	(9,097,949)
Interest and dividend income	15,682,894
Fees	(2,465,979)
Net investment income	\$ 4,118,966

The following table presents the fair values of individual investments held in the Master Trust that represent five percent or more of the net assets of the Master Trust.

	December 31,	
	2011	2010
Investments at fair value:		
Commingled trust funds:		
Stock Plus 100,000 Units Limited Partnerships	\$ 114,739,123	\$ 120,818,558
BR Active Stock Fund F Mutual Fund	81,418,257	61,691,156
JPMBC US Analyst Fund	75,270,646	109,347,600
JPMorgan Prime Money Market Fund	73,262,564	65,953,870
Jennison Institutional US Small Cap Equity Fund		61,575,381
S&P 500 Equity	44,575,264	47,568,104
Mutual Funds:		
American Century	58,997,587	59,220,417
Russell 2000 Index Fund	56,372,850	
Artisan Mid Cap Fund		49,868,182
GMO Foreign Fund	48,564,717	59,497,298
Wells Fargo Advantage	45,685,922	42,070,471

D INVESTMENTS

Participants may invest in various 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:

	2011		2010	
	The Plan	TNW Plan	The Plan	TNW Plan
Mix A*	99.36 %	0.64 %	98.31 %	1.69 %
Mix B*	99.41	0.59	99.52	0.48
Mix C*	99.56	0.44	99.52	0.48
Mix D*	99.18	0.82	99.17	0.83
Mix E*	98.94	1.06	98.90	1.10
Money Market	99.17	0.83	98.99	1.01
Bonds	99.52	0.48	99.54	0.46
Large Cap	97.39	2.61	97.33	2.67
Small Cap	99.08	0.92	98.80	1.20
International	99.66	0.34	99.31	0.69
S&P Index	96.93	3.07	97.38	2.62
TIPS	99.64	0.36	99.50	0.50
High-Yield Bonds	99.31	0.69	98.93	1.07
REIT	99.24	0.76	98.22	1.78
Total allocation percentage	<u>98.95 %</u>	<u>1.05 %</u>	<u>98.88 %</u>	<u>1.12 %</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 from the Master Trust to the Plan and the TNW Plan.

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 measurement) 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.

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.

The Plan's investment in the Towers Perrin Master Trust is presented at fair value, which has been determined based on the fair value of the underlying investments of the Master Trust.

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 quoted market prices that represent the net asset value of shares held by the Plan at year end.

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.

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, 2011:

	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 471	\$ 75,683,223	\$ -	\$ 75,683,694
Corporate debt (S&P rating of lower than A)		308,132		308,132
Commingled trust funds:				
Large cap equity funds		201,264,167 *		201,264,167
Small cap equity funds		24,199,792 *		24,199,792
International funds		35,411,728 *		35,411,728
Bond funds		1,223,177 *		1,223,177
Other funds		114,739,123 *		114,739,123
Mutual funds:				
Large cap equity funds	105,149,425			105,149,425
Mid cap equity funds	48,419,501			48,419,501
Small cap equity funds	30,558,968			30,558,968
International funds	58,217,044			58,217,044
Bond funds	167,133,299			167,133,299
Other funds	14,034,962			14,034,962
Total Master Trust assets at fair value	<u>\$ 423,513,670</u>	<u>\$ 452,829,342</u>	<u>\$ -</u>	<u>\$ 876,343,012**</u>

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:	120,337			120,337
US Mid Cap Companies				
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>

* Investments in the respective funds are calculated using the net asset value. The investment strategy of the respective funds are stated in the title of the funds such as Large cap equity funds, Small cap equity funds, International funds, Bond funds and other funds which is made up of the PIMCO StocksPLUS Fund which seeks total return which exceeds that of the S&P 500 Index by investing under normal circumstances in S&P 500 Index derivatives, backed by a portfolio of fixed income instruments. There are no redemption restrictions on these investments.

** The Plan's interest in the net assets of the Master Trust at December 31, 2010 and 2009 was approximately 98.95% and 98.88%, respectively (Note D).

The Master Trust recognized a net \$9,097,949 loss for the year ended December 31, 2011 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, 2011. The net unrealized loss was included within the Plan interest in the Towers Perrin Master Trust on the accompanying statement of changes in net assets available for benefits.

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	
	2011	2010
Balance — beginning of year	\$ -	\$ 59,555
Realized losses		(50,805)
Unrealized losses		
Purchases, sales, issuances, and settlements — net		(8,750)
Balance — end of year	<u>\$ -</u>	<u>\$ -</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, 2011, 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>

There were no significant transfers between levels 1, 2 or 3 in the year ended December 31, 2011.

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, 2011 and 2010, 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.

G EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Master Trust investments are held in funds managed by State Street Bank and 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 Plan interest in the Towers Perrin Master Trust in the accompanying statement of changes in net assets available for benefits.

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.

I SUBSEQUENT EVENTS

For the year ended December 31, 2011, subsequent events were evaluated through October 12, 2012, the date the financial statements were available to be issued.

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SUPPLEMENTAL SCHEDULE

TOWERS PERRIN 401(k) SAVINGS PLAN

EIN 23-1159360

Plan No. 002

**FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS
(HELD AT END OF YEAR)
AS OF DECEMBER 31, 2011**

(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 2020	<u>\$7,505,741</u>

* Denotes party-in-interest.

TOWERS PERRIN 401(k) SAVINGS PLAN

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