Aon plc
Form 11-K
July 01, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

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

For the fiscal year ended December 31, 2012

OR

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

Commission file number 1-7933

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Aon Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Aon plc
8 Devonshire Square
London EC2M 4PL

S I G N A T U R E S

Pursuant to the requirements of the Securities Exchange Act of 1934, the Committee acting as Plan Administrator, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

AON SAVINGS PLAN

BY THE COMMITTEE

/s/ MICHAEL NELLER
Michael Neller

Date:
June 28, 2013

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

AON SAVINGS PLAN

Years Ended December 31, 2012 and 2011

With Report of Independent Registered Public Accounting Firm

Employer Plan Identification #36-3051915

Plan #020

AON SAVINGS PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Years Ended December 31, 2012 and 2011

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Aon Savings Plan

We have audited the accompanying statements of net assets available for benefits of Aon Savings Plan as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Aon Savings Plan at December 31, 2012 and 2011, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2012, is presented for purposes 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. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/Ernst & Young LLP

Chicago, Illinois
June 28, 2013

Employer Plan Identification #36-3051915
Plan #020
AON SAVINGS PLAN
Statements of Net Assets Available for Benefits

(in thousands)

	December 31 2012	2011
Assets		
Investments, at Fair Value:		
Aon plc Class A Ordinary Shares	$156,119	$153,204
Brokerage Accounts - Other Common and Preferred Stocks and Mutual Funds	30,187	19,653
Other Investments, at Fair Value	3,550,667	1,535,653
Total Investments	3,736,973	1,708,510
Receivables:		
Company Contributions	—	—
Participant Contributions	—	—
Pending Trade Sales	1,187	—
Accrued Interest and Dividends	1,080	—
Notes Receivable from Participants	52,800	19,327
Total Receivables	55,067	19,327
Liabilities:		
Pending Trade Purchases	(613)	—
Accrued Expenses	(579)	—
Total Liabilities	(1,192)	—
Adjustment from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contracts	(9,455)	—
Net Assets Available for Benefits	$3,781,393	$1,727,837

See notes to financial statements.

Employer Plan Identification #36-3051915
Plan #020
AON SAVINGS PLAN
Statements of Changes in Net Assets Available for Benefits

(in thousands)

	December 31 2012	2011
Additions		
Net Investment Income:		
Interest Income and Dividends	$16,407	$36,136
Aon plc Dividends	1,392	1,958
Total Net Investment Income	17,799	38,094
Interest Income on Notes Receivable from Participants	2,398	894
Contributions:		
Company	111,651	52,925
Participants	156,055	77,914
Rollovers	13,191	6,279
Total Contributions	280,897	137,118
Total Additions	301,094	176,106
Deductions:		
Benefit Payments	(253,254)	(171,207)
Management and Administrative Fees	(1,248)	(1,195)
Total Deductions	(254,502)	(172,402)
Net Appreciation (Depreciation) in Fair Value of Investments	435,785	(47,757)
Net Increase (Decrease) in Net Assets Available for Benefits	482,377	(44,053)
Net Assets Available for Benefits at Beginning of Year	1,727,837	1,771,890
Plan Merger	1,571,179	—
Net Assets Available for Benefits at End of Year	$3,781,393	$1,727,837

See notes to financial statements.

Employer Plan Identification #36-3051915
Plan #020

AON SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2012

1. Description of Plan
General

On April 2, 2012, Aon plc completed the reorganization of the corporate structure of the group of companies controlled by its predecessor, Aon Corporation, as holding company of the Aon group, pursuant to which Aon Corporation merged with one of its indirect, wholly owned subsidiaries and Aon plc became the publicly held parent company of the Aon group. This transaction is referred to as the Redomestication.

The Aon Savings Plan (the Plan) was authorized by the Board of Directors of Aon Corporation (Aon or the Company or Plan Sponsor). It is a defined contribution plan with a salary deferral feature and an employee stock ownership (ESOP) feature. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Participants in the Aon plc Class A Ordinary Shares ESOP Fund (the ESOP Fund) have the option to reinvest dividends in additional shares of Aon plc Class A Ordinary Shares in the Plan or receive dividends in cash. Participants are allowed to immediately diversify any Company-matching contributions allocated to the ESOP Fund.

The Hewitt Associates Retirement and Savings Plan (the Hewitt Plan) merged into the Plan effective the close of business on December 31, 2011. Participants in the Hewitt Plan commenced participation in the Plan on January 1, 2012. Accordingly, participant accounts of approximately $1.6 billion were transferred into the Plan in January 2012.

Effective January 1, 2012, the Plan changed trustees from State Street Bank and Trust Company to the Northern Trust Company (the Trustee). In addition, the plan changed record-keeper from ING to Aon Hewitt Associates.

The following description of the Plan provides only general information. Participants of the Plan should refer to the Plan Document for a more complete description of the Plan.

1. Description of Plan (continued)
Eligibility and Participation

Employees other than field sales agents or employees scheduled to work less than 20 hours per week are immediately eligible to participate. Field sales agents and employees scheduled to work less than 20 hours per week are eligible to participate after completing one year of service and attaining the age of 21. Participants must complete one year of service to be eligible for Company-matching contributions.

Contributions

Participant – Participant contributions are made by means of regular payroll deductions. Non-highly compensated participants, as defined by the Internal Revenue Code (IRC), may elect to make contributions between 1% and 25% of their compensation, as defined by the Plan. Highly compensated participants, as defined by the IRC, may elect to make contributions between 1% and 12% of their compensation, as defined by the Plan. Effective January 1, 2012, all eligible employees may elect to contribute up to 50% of their compensation, as defined by the Plan.

Participant contributions are limited to amounts allowed by the Internal Revenue Service (IRS). Accordingly, the maximum participant contribution was $17,000 in 2012 and $16,500 in 2011. In addition to regular participant contributions, catch-up contributions of up to $5,500 for 2012 and 2011 were allowed for any participants who were age 50 or older during the Plan year.

New employees are automatically enrolled in the Plan at a 4% contribution rate after 30 days of service unless the election is waived. After participants have completed six months of service, their automatic enrollment contribution will increase by 1% each April until reaching 6%. Participants can change their deferral percentage or investment selections at any time after initial enrollment.

For automatic enrollment, contributions to Plan accounts are automatically invested in the applicable Target Retirement Portfolio. Target Retirement Portfolios are a premixed portfolio of investments based on the participant's age. Target Retirement Portfolios are managed with the goal of providing investors with an optimal level of return and risk based on a target retirement date (for example, 2020, 2030, 2040 or 2050).

The Plan allows participants to make Roth 401(k) contributions to the Plan. Roth contributions are made on an after-tax basis, and participants would then owe no further tax on these contributions or their earnings.

Company – For 2012 and 2011, the Company contributed an amount equal to 100% of the first 6% of a participant's compensation that a participant contributes to the Plan. These contributions are made concurrent with participant contributions. The Company may make a further discretionary contribution as determined by the Company's Board of Directors. For 2012 and 2011, this discretionary contribution was $0.

The Aon Retirement Account is for employees hired after January 1, 2004, who are not eligible for participation in the Aon Pension Plan.

1. Description of Plan (continued)

The Aon Retirement Account was funded entirely by Company contributions. No employee contributions were allowed. On February 4, 2009, the Company announced that the Aon Retirement Account portion of the Plan was being frozen with the effective date of December 31, 2008.

Investment Options

Both participant and Company contributions to the Plan will be invested in any of the various investment alternatives offered by the Plan in any whole percentages as directed by the participant. Additionally, a brokerage account is offered, whereby participants can invest their self-directed contributions in various stock, mutual funds and other investments.

Participant Accounts

Each participant’s account is credited with the participant’s contribution and allocations of (a) the Company’s contributions and (b) Plan earnings (losses). The benefit to which a participant is entitled is the benefit that can be provided from the participant’s account.

Vesting

Participants are fully vested in their contributions plus actual earnings of the Plan. Participants become 100% vested in the employer contributions (including amounts in the Aon Retirement Account) after five years of Plan service, according to a graded vesting schedule. All contributions made after January 1, 2012, were 100% vested immediately.

Forfeitures

Forfeitures of $645 thousand for 2012 and $1.9 million for 2011 were used to provide partial funding for Company contributions and to pay other expenses of the Plan.

Benefit Payments

Upon retirement or termination of service, a participant will receive a lump-sum payment equal to the participant’s vested balance. The participant may elect to receive this payment directly or to be rolled into another plan or IRA. Vested amounts of the ESOP may be received in cash or Aon plc Class A Ordinary Shares.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

1. Description of Plan (continued)

Participant Loans

Under the loan provision of the Plan, each participant is permitted one loan in a twelve-month period, and the outstanding balance of all loans made to a participant may not exceed the lesser of $50,000 or 50% of the vested portion of the participant's account, excluding the ESOP and Aon Retirement Account portion of the account. The interest rate for each loan is equal to 1% plus the prime rate as quoted in The Wall Street Journal for the last day of the month preceding the loan request. Loans are made for a period of up to five years, except for residential loans that have a fixed repayment period of up to fifteen years.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles (GAAP).

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as 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 (an exit price). Contract value, however, is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan created the Stable Value Fund which includes investments in investment contracts through a collective trust, Guaranteed Investment Contracts (GICs) and Synthetic Investment Contracts (SICs). The statements of net assets available for benefits present the fair value of the investment contracts as well as the adjustment from fair value to contract value relating to the investment contracts. The statement of changes in net assets available for benefits is prepared on a contract-value basis.

The plan sponsor maintains proper oversight of the Plan through the Retirement Plan Governance and Investment Committee (RPGIC). The RPGIC is responsible for determining the Plan's valuation policies and analyzing information provided by the investment custodians and issuers that is used to determine the fair value of the Plan's investments.

2. Significant Accounting Policies (continued)

In conformity with ASC 820, Fair Value Measurement, assets and liabilities measured at fair value are categorized into the fair value hierarchy. See Note 3 for further discussion and disclosures related to fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Reporting of Investment Contracts

The Stable Value Fund invests in a benefit-responsive GIC with Metropolitan Life Insurance Company (MetLife). MetLife maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. MetLife is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer. MetLife reviews the crediting interest rates on an annual basis for resetting.

The Plan also invests in SICs with IXIS Financial Products, Inc., MetLife and Prudential. SICs are wrap contracts paired with an underlying investment or investments, usually a portfolio, owned by the Plan, of high-quality, intermediate-term fixed income securities. The Plan purchases a wrapper contract from a financial services institution. SICs credit a stated interest rate for a specified period of time. Investment gains and losses are amortized over the expected duration through the calculation of the interest rate applicable to the Plan on a prospective basis. SICs provide for a variable crediting rate, which typically resets at least quarterly, and the issuer of the wrap contract provides assurance that future adjustments to the crediting rate cannot result in a crediting rate less than zero. The crediting rate is primarily based on the current yield to maturity of the covered investments, plus or minus amortization of the difference between the market value and contract value of the covered investments over the duration of the covered investments at the time of computation. The crediting rate is most impacted by the change in the annual effective yield to maturity of the underlying securities, but it is also affected by the difference between the contract value and the market value of the covered investments. This difference is amortized over the duration of the covered investments. Depending on the change in duration from reset period to reset period, the magnitude of the impact to the crediting rate of the contract to market difference is heightened or lessened. The crediting rate can be adjusted periodically and is usually adjusted either monthly or quarterly, but in no event is the crediting rate less than zero.

2. Significant Accounting Policies (continued)

Certain events limit the ability of the Plan to transact at contract value with the insurance company and the financial institution issuer. Such events include the following: (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan Sponsor or other Plan Sponsor events (e.g., divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with participants, is probable.

The GIC does not permit MetLife to terminate the agreement prior to the scheduled maturity date. However, the SICs generally impose conditions on both the Plan and the issuer. If an event of default occurs and is not cured, the non-defaulting party may terminate the contract. The following may cause the Plan to be in default: (1) a breach of material obligation under the contract, (2) a material misrepresentation or (3) a material amendment to the Plan agreement. The issuer may be in default if it breaches a material obligation under the investment contract, makes a material misrepresentation, has a decline in its long-term credit rating below a threshold set forth in the contract, or is acquired or reorganized and the successor issuer does not satisfy the investment or credit guidelines applicable to issuers. If, in the event of default of an issuer, the Plan were unable to obtain a replacement investment contract, the Plan may experience losses if the value of the Plan's assets no longer covered by the contract value is below contract value. The Plan may seek to add additional issuers over time to diversify the Plan's exposure to such risk, but there is no assurance that the Plan may be able to do so. The combination of the default of an issuer and an inability to obtain a replacement agreement could render the Plan unable to achieve its objective of maintaining a stable contract value. The terms of an investment contract generally provide for settlement of payments only upon termination of the contract or total liquidation of the covered investments. Generally, payments will be made pro rata based on the percentage of investments covered by each issuer. Contract termination occurs whenever the contract value or market value of the covered investments reaches zero or upon certain events of default. If the contract terminates due to issuer default (other than a default occurring because of a decline in its rating), the issuer will generally be required to pay to the Plan the excess, if any, of contract value over

2. Significant Accounting Policies (continued)

market value on the date of termination. If the SICs terminate due to a decline in the ratings of the issuer, the issuer may be required to pay to the Plan the cost of acquiring a replacement contract within the meaning of the contract. If the contract terminates when the market value equals zero, the issuer will pay the excess of contract value over market value to the Plan to the extent necessary for the Plan to satisfy outstanding contract value withdrawal requests. Contract termination also may occur by either party upon election and notice.

Certain separate account contracts permit the Fund or the issuer to elect to terminate the contract, with the Fund having the right to elect to receive either market value, convert the contract to a GIC or make an amortization election. In addition, if the Fund defaults in its obligations under the separate account contract, the issuer may terminate, and the Fund will receive market value.

Average yield calculation

Average yields for Stable Value Fund	Year Ended December 31 2012
Based on actual earnings (1)	0.89%
Based on interest rate credited to participants (2)	1.43%

1) Computed by dividing the annualized one-day actual earnings of the Fund on the last day of the plan year by the fair value of the investments of the Fund on the same date.

2) Computed by dividing the annualized one-day earnings credited to participants in the Fund on the last day of the plan year by the fair value of the investments of the Fund on the same date.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2012 or 2011. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced, and a benefit payment is recorded.

2. Significant Accounting Policies (continued)

New Accounting Pronouncement

In May 2011, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2011-04, Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs. ASU 2011-04 amended ASC 820 to converge the fair value measurement guidance in U.S. GAAP and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Adoption of ASU 2011-04 did not have an effect on the Plan’s net assets available for benefits or its changes in net assets available for benefits.

Administrative Expenses

Administrative expenses of the Plan, including expenses of the Trustee, are paid from the Plan assets, except to the extent that the Company, at its discretion, may decide to pay such expenses. The Company paid $670 thousand of Plan expenses in 2012 and $0 in 2011.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Fair Value Measurements

Fair value is defined as 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 (i.e., an exit price). The fair value hierarchy 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 and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.
Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets and liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Observable inputs other than quoted prices that are used in the valuation of the asset or liabilities (e.g., interest rate and yield curve quotes at commonly quoted intervals)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management’s own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

3. Fair Value Measurements (continued)

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level of input that is significant to the fair value measure in its entirety.

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value by the Plan.

Mutual funds, common stock and preferred stock: valued at quotes obtained from national securities exchanges.

Common collective trusts: valued at the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. These funds are primarily invested in publicly traded common stocks and bonds. Participant-directed and Plan redemptions have no restrictions.

Long-term bonds: valued generally at matrix-calculated prices that are obtained from various pricing services.

Guaranteed investment contracts and synthetic investment contracts: Fair value of the GICs is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations. Individual assets of the SICs are valued at representative quoted market prices. The fair value of the wrap contracts for the SIGs is determined using the replacement cost approach, which is a discounting methodology that incorporates the difference between current market-level rates for contract-level wrap fees and the wrap fee being charged. The difference is calculated as a dollar value and discounted by the prevailing interpolated swap rate as of period-end (see “Reporting of Investment Contracts”).

3. Fair Value Measurements (continued)

Investments at fair value as of December 31, 2012:

(in thousands)	Level 1	Level 2	Level 3	Total
Investments:				
Common Collective Trust – Short Term Investment Fund	$17,209	$—	$—	$17,209
Long-Term Bonds	—	93	—	93
Common Collective Trust	—	223,692	—	223,692
Preferred Stock	—	151	—	151
Common Stock	172,245	—	—	172,245
Mutual Funds:				
Common Stock/Equities	6,288	—	—	6,288
Foreign Stock	—	795,125	—	795,125
Large Cap Stocks	628,488	190,648	—	819,136
Large Cap Stocks-Foreign	115,864	—	—	115,864
Mid/Small Cap Stocks	215,034	374,318	—	589,352
REITs	71,083	—	—	71,083
Intermediate-Term Bonds	477	—	—	477
Fund of Funds	24,876	—	—	24,876
Fixed Income	23	335,939	—	335,962
Commodity Index	—	27,834	—	27,834
Guaranteed Investment Contract	—	—	13,083	13,083
Synthetic Investment Contracts	—	524,503	—	524,503
Total Investments at Fair Value	$1,251,587	$2,472,303	$13,083	$3,736,973

The table below sets forth a summary of changes in the fair value of the Plan’s Level 3 Assets for the year ended December 31, 2012.

	Level 3 GIC
Balance at January 1, 2012	$12,984
Interest Earned	99
Balance at December 31, 2012	$13,083

3. Fair Value Measurements (continued)

Investments at fair value as of December 31, 2011:

(in thousands)	Level 1	Level 2	Level 3	Total
Investments:				
Long-Term Bonds	$—	$41	$—	$41
Preferred Stock	138	—	—	138
Common Stock	161,810	—	—	161,810
Mutual Funds:				
Short-Term Fund	246,860	—	—	246,860
Large Cap Stocks	627,449	—	—	627,449
Large Cap Stocks-Foreign				