NCR CORP
Form 11-K
June 14, 2013

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

FORM 11-K

(Mark one)
x Annual Report pursuant to Section 15(d) of the Securities Exchange Act of 1934 for fiscal year ended December 31, 2012.

OR

¨ Transition Report pursuant to Section 15(d) of the Securities Exchange Act of 1934.

Commission File Number 001-00395

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

NCR Savings Plan

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

3097 Satellite Boulevard, Duluth Georgia 30096

NCR Savings Plan
Index
December 31, 2012 and 2011

* 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.

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Report of Independent Registered Public Accounting Firm
To the Participants and
Administrator of NCR Savings Plan:

In our opinion, the accompanying Statements of Net Assets Available for Benefits and the related Statement of Changes in Net Assets Available for Benefits present fairly, in all material respects, the net assets available for benefits of NCR Savings Plan (the “Plan”) at December 31, 2012 and December 31, 2011, and the changes in net assets available for benefits for the year ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP
Atlanta, Georgia
June 14, 2013

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NCR Savings Plan
Statements of Net Assets Available for Benefits
December 31, 2012 and 2011

	December 31,	
	2012	2011
Assets		
Investments, at fair value	$1,110,219,705	$1,045,319,118
Contributions receivable:		
Participants	806,494	546,112
Employer	214,535	125,150
Notes receivable from participants	12,996,363	11,720,898
Due from broker for securities sold	869,303	698,240
Total assets	1,125,106,400	1,058,409,518
Liabilities		
Due to broker for securities purchased	823,133	121,782
Accrued expenses	400,246	185,921
Total liabilities	1,223,379	307,703
Net assets available for benefits	$1,123,883,021	$1,058,101,815

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

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NCR Savings Plan
Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2012

Additions to net assets attributed to:	
Investment income	
Net appreciation in fair value of investments	$136,851,324
Dividends	2,125,915
Total investment income	138,977,239
Contributions	
Participant	59,154,826
Employer, net of forfeitures	11,242,455
Total contributions	70,397,281
Interest on notes receivable from participants	562,267
Total additions	209,936,787
Deductions from net assets attributed to:	
Benefits paid to participants	198,254,007
Administrative expenses	1,995,754
Total deductions	200,249,761
Net increase before merger of other plans	9,687,026
Transfers in	
Merger of assets from other plans (Note 6)	56,094,180
Net increase	65,781,206
Net assets available for benefits	
Beginning of year	1,058,101,815
End of year	$1,123,883,021

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

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NCR Savings Plan
Notes to Financial Statements
December 31, 2012 and 2011

1. Description of the Plan

General
The NCR Savings Plan (the “Plan”) is a defined contribution plan established on May 1, 1985 by NCR Corporation (“NCR”, “Employer”, or the “Company”) to give the Company’s employees more control over, and participation in, the accumulation of capital for their retirement.
The Plan is designed to qualify as a profit-sharing plan with a qualified cash or deferred arrangement under Section 401(k) of the Internal Revenue Code of 1986, as amended. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).
The Plan covers substantially all U.S. employees of the Company (other than certain categories of part-time, temporary and intern employees) and its domestic subsidiaries, except for employees of certain newly acquired subsidiaries and employees covered by a collective bargaining agreement.
The terms of the Plan described below are applicable to the majority of participants. Different terms are applicable for a small group of participants in the Plan due to the mergers of legacy 401(k) plans into the Plan. While terms applicable to certain participants may vary slightly from the terms described below, all participants have substantially the same benefits and requirements.
For a complete description of the Plan, participants should refer to the Plan Document or the Summary Plan Description.
Contributions and Funding
All eligible employees of the Company may defer a portion of their compensation by making tax-deferred contributions, as well as after-tax contributions, to the Plan. Participants may elect to contribute up to 50 percent of their eligible compensation. The maximum contribution percentage limits vary based upon the participant’s compensation. Annual tax-deferred contributions per participant for the 2012 Plan year were limited to $17,000.
The Company matches employee contributions by contributing 50 cents for each dollar of employee contributions, up to the first 4% of eligible compensation.
In accordance with the Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA”), the Plan allows employees aged 50 and older to elect to make an additional $5,500 catch-up contribution during the 2012 Plan year.
Participants direct their contributions, as well as the Company’s matching contributions, into various investment strategies, market index and Common Collective Trust funds, and the NCR Unitized Stock Fund which invests primarily in the Company’s common stock. The investment strategies are comprised of a combination of mutual funds, separately managed accounts and common/collective trusts and are managed to derive returns subject to the associated risk tolerance.
In March 2012, the Plan’s investment options changed to include several new options as well as to discontinue the Fidelity Mutual Fund Window and to cease future contributions into the NCR Unitized Stock Fund.

Vesting and Forfeitures
Participants are immediately vested in their contributions plus actual earnings thereon. Company matching contributions vest in increments of one-fifth each year, over a five-year period beginning on the participant’s hire date. Participants are fully vested in their account balance after five years of service.

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NCR Savings Plan
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Participants become immediately and fully vested in their account (i) upon attainment of age 65, (ii) upon retirement, (iii) upon termination of employment due to a “reduction in force,” (iv) in the event of death, or (v) in the event of total and permanent disability. Upon termination of employment, participants are entitled to full distribution of their contributions and all vested Company matching contributions; all non-vested Company matching contributions are forfeited. These forfeitures are used to reduce future Company matching contributions or to pay reasonable administrative expenses of the Plan. During 2012, forfeitures used to offset Company matching contributions were $909,762. As of December 31, 2012 and 2011 $20,030 and $7,223 in forfeitures, respectively, were available to reduce future Company matching contributions.

Participant Accounts

Each participant’s account is credited with the participant’s contributions, and an allocation of Company contributions and Plan earnings. Plan earnings are allocated based on participants’ account balances and individual investments that make up those balances. Participants’ accounts are valued on a daily basis. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account balance.

Participants may withdraw any employee tax-deferred contributions during their employment in the case of a “hardship” (as defined by the Plan), and participants may withdraw after-tax employee contributions for any reason. The participants may not withdraw any Company matching contributions or any earnings on Company matching or employee contributions until they terminate employment with the Company.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to $50,000 or 50 percent of their account balance, whichever is less. The loans are collateralized by the balance in the participant's accounts and bear interest at a fixed rate based on the prime rate in effect on the last day of the preceding month plus 1%. Generally, the term of the loan may be between one and five years. However, there are certain loans which were merged into the Plan and have a maximum term of ten years. Principal and interest is paid ratably through monthly payroll deductions. Upon default, participants are considered to have received a distribution and are subject to income taxes on the distribution amount. Loans at December 31, 2012 bear interest at rates ranging from 4.25% to 10.50% and are due at various dates through January 18, 2017. Loans are repaid through payroll deductions.

Withdrawals and Benefits

Participants may withdraw vested balances upon reaching the age of 59 and 1/2, or upon a participant’s termination or disability. A participant's beneficiary shall be eligible to receive a distribution of the participant's account upon death of the participant. Hardship withdrawals, as defined by the Plan, may be made from employee contributions at any time subject to approval by the Plan’s Administrator. On termination of service, a participant receives a lump-sum amount equal to the value of the vested portion of their account if it is less than $1,000. Terminated participants with more than $1,000 in vested benefits may elect to receive a lump-sum payment, quarterly installment payments, or leave the vested benefits within the Plan until reaching age 70 and 1/2, death and/or disability.

Termination of the Plan

The Company currently has no plans to terminate the Plan; however, the Company reserves the right to terminate the Plan at any time by action of the Board of Directors. No amendment or termination of the Plan may adversely affect a participant’s accrued benefits on the date of the amendment or termination. Upon termination of the Plan, the Company is required to vest the accounts of unvested participants. No amendment may change the requirement that the assets of the NCR Savings Plan Trust (the “Trust”) be used for the exclusive benefit of the participants, the former participants and the beneficiaries or to pay reasonable administrative expenses of the Plan.

Upon termination of the Plan, the Company will cause the Trust to be liquidated. Distributions will be made to the various participants, former participants and beneficiaries in a single lump sum promptly after liquidation is effective.

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NCR Savings Plan
Notes to Financial Statements
December 31, 2012 and 2011

Plan Amendment
In 2012, the Plan was amended to allow beneficiary designations of persons, trusts or organizations and allows these designations to be made electronically or in writing. Also, the amendment allows all compensation earned during a Plan year to be taken into account in applying the Section 401(a)(17) of the Code limit on Compensation to maximize Plan benefits. Additionally, the amendment continues a hardship suspension for any participant in a merging Plan.

The Plan was also amended to allow employees of the sponsors of the First Level Technology, LLC 401(k) Plan, Radiant Systems, Inc. 401(k) Plan, Texas Digital Systems, Inc 401(k) Plan, and InfoAmerica USA 401(k) Plan to participate in the Plan and recognizes prior service for purposes of vesting under the Plan.

2. Summary of Significant Accounting Policies
Basis of Accounting
The financial statements of the Plan are prepared under the accrual basis of accounting.
Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and changes therein. Actual results could differ from those estimates.
Risk and Uncertainties
The Plan provides for various investment options in several investment securities and instruments, including the NCR Unitized Stock Fund, which holds the Company’s common stock. 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 risks in the near term could continue to materially affect participants’ account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.
Investment Valuation and Income Recognition
The Plan’s investments are stated at fair value. Investments in money market funds are short term investments comprised of various marketable instruments with maturities averaging ninety days or less. Investments in mutual funds are valued at the net asset value (“NAV”) of shares held by the Plan. Investments in common collective trust funds include various index funds. The fair values of the Plan’s interest in the index funds are based on the net asset values (“NAVs”) reported by the fund managers as of the financial statement dates. The index funds provide for daily redemptions by the Plan at reported NAVs with no advance notice requirement. Under unusual circumstances redemptions may be suspended should the withdrawal cause a material adverse impact on other participating plans. Fair values for these investments within the index funds are based on quoted prices in active markets and securities valued using either observable inputs or quotations from inactive markets. Common stock is valued at the closing price reported on the active market on which the security is traded. All the common collective trust funds have daily liquidity and are not subject to any redemption restrictions at the measurement date. The funds have different trading terms varying from one to three days.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest is recorded on an accrual basis.
The Plan presents in its Statement of Changes in Net Assets Available for Benefits the net appreciation/depreciation in fair value of investments, which consists of the realized gains and losses as well as the unrealized

appreciation/depreciation on those investments.
Notes Receivable from Participants
Notes receivable from participants are valued at their outstanding balances, plus accrued but unpaid interest. There were no allowances for credit losses at December 31, 2012 or 2011.

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Due to and from broker for securities purchased and sold
These items are pending security settlements.

Plan Expenses
Recordkeeping and other administrative fees are deducted from participant accounts or paid directly by the Company. Individual fees apply for specific transactions such as the establishment of a participant loan. Brokerage fees and commissions are included in the cost of investments when purchased and in determining the net proceeds on sales of investments. Investment management fees are paid from the respective assets of the investment option.

Payments to Withdrawing Participants
The Plan records payments to withdrawing participants at the time of disbursement.
Rollover Contributions
Participant rollover contributions totaling $18,346,489 from other defined contribution plans are included as participant contributions in the Statement of Changes in Net Assets Available for Benefits.
Recent Accounting Standards
In May 2011, the FASB issued ASU 2011-04 Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS. ASU 2011-4 is intended to improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRS. The amendments are of two types: (i) those that clarify the Board’s intent about the application of existing fair value measurement and disclosure requirements and (ii) those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The update is effective for annual periods beginning after December 15, 2011. The adoption of this update did not have a material impact on the Plan's financial statements.

In December 2011, the FASB issued ASU 2011-11, Balance Sheet (Topic 210), Disclosures about Offsetting Assets and Liabilities. ASU 2011-11 requires entities to disclose both gross information and net information about both instruments and transactions eligible for offset in the Balance Sheet and instruments and transactions subject to an agreement similar to a master netting arrangement to enable users of their financial statements to understand the effects of offsetting and related arrangements on their financial position. In January 2013, the FASB issued ASU 2013-01 which limited the scope of this guidance to derivatives; repurchase type agreements and securities borrowing and lending transactions. The guidance from these updates was effective for our fiscal year beginning January 1, 2013. There are no assets or liabilities subject to offsetting. Accordingly, no additional disclosures are required upon adoption of these ASUs.

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3. Investments

The following presents investments that represent five percent or more of the Plan's net assets:

	December 31, 2012	2011
NTGI - QM Collective Daily Aggregate Bond Index Fund, 387,994 and 310,920 shares, respectively	$187,680,215	$144,170,207
Pyramis Select International Equity Fund 462,302 and 524,926 shares, respectively	$62,105,711	$57,804,867
NTGI - QM Collective Daily S&P 500 Equity Index Fund, 24,161 and 18,857 shares, respectively	$105,971,805	$71,259,634
LifePath Index 2020 Non-Lendable Fund F 6,095,930 shares	$99,729,417	*
LifePath Index 2025 Non-Lendable Fund F 6,328,995 shares	$107,086,588	*
LifePath Index 2030 Non-Lendable Fund F 4,401,260 shares	$76,405,878	*
LifePath Index 2035 Non-Lendable Fund F		