

UNISYS CORP  
Form 11-K  
June 22, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 11-K

UNISYS CORPORATION

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_ .  
Commission file number 1-8729

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

UNISYS CORPORATION SAVINGS PLAN

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

UNISYS CORPORATION  
801 Lakeview Dr., Suite 100  
Blue Bell, Pennsylvania 19422

UNISYS CORPORATION SAVINGS PLAN

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NOTE: All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because they are not applicable.

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Report of Independent Registered Public Accounting Firm

The Plan Administrator

Unisys Corporation Savings Plan:

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of Unisys Corporation Savings Plan (the Plan) as of December 31, 2017 and 2016, the related statements of changes in net assets available for benefits for the years then ended, and the related notes and financial statement schedule H, Line 4i - Schedule of Assets (Held at End of Year) - December 31, 2017 (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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 are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Accompanying Supplemental Information

The supplemental information has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ KPMG LLP

We have served as the Plan's auditor since 2008.

Philadelphia, Pennsylvania

June 22, 2018

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UNISYS CORPORATION SAVINGS PLAN  
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
 DECEMBER 31, 2017 AND 2016  
 (in thousands)

	2017	2016
Assets		
Investments in Master Trust:		
Investments at fair value	\$1,300,846	\$1,189,649
Investments at contract value	145,831	157,743
Total investments in Master Trust	1,446,677	1,347,392
Receivables:		
Employer contributions receivable	314	523
Notes receivable from participants	5,769	6,605
Total receivables	6,083	7,128
Net assets available for benefits	\$1,452,760	\$1,354,520
See accompanying notes to financial statements		

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UNISYS CORPORATION SAVINGS PLAN  
 STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 YEARS ENDED DECEMBER 31, 2017 AND 2016  
 (in thousands)

	2017	2016
Additions to net assets attributed to:		
Investment income:		
Interest earned on notes receivable from participants	\$342	\$374
Net investment income from Master Trust	203,691	93,993
Total investment income	204,033	94,367
Contributions:		
Employee	41,920	42,395
Employer	10,900	10,468
Total contributions	52,820	52,863
Other:		
Revenue credit	732	970
Estate settlement	—	1,214
Transfer from Unisys Technical Services Savings Plan	—	2,891
Total additions	257,585	152,305
Deductions from net assets attributed to:		
Benefits paid to participants	159,207	179,943
Transfer to Unisys Technical Services Savings Plan	—	2,418
Administrative and other expenses	138	71
Total deductions	159,345	182,432
Net increase (decrease)	98,240	(30,127 )
Net assets available for benefits:		
Beginning of year	1,354,520	1,384,647
End of year	\$1,452,760	\$1,354,520
See accompanying notes to financial statements		

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UNISYS CORPORATION SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

1. PLAN DESCRIPTION

The Unisys Corporation Savings Plan (the Plan) is a defined contribution plan that covers non-bargaining employees paid from a United States payroll of Unisys Corporation (the Company) and bargaining unit employees whose collective bargaining agreement provides for participation in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Participants should refer to the Plan document, the summary Plan description and subsequent summaries of material modifications, and their respective bargaining unit agreement, if applicable, for complete information.

On January 1, 2016, the Plan transferred \$2.4 million of Plan assets to a new plan, the Unisys Technical Services Savings Plan, for employees in the Unisys Technical Services division. On December 30, 2016, the Unisys Technical Services Savings Plan transferred \$2.9 million back to the Plan, as the employees in the Unisys Technical Services division were all transferred into the Unisys Savings Plan, and the Unisys Technical Services Savings Plan was closed.

**Contributions** — Each Plan year, participants may contribute up to 80% or 9% (80% or 18% in 2016) of their pretax eligible compensation up to the prescribed Internal Revenue Code of 1986, as amended (the Code) limit, depending on their classification as a non-highly compensated or highly compensated employee, respectively. Participants who are age 50 or older and meet certain other Plan requirements regarding contributions may make pretax catch-up contributions to the Plan. Participants may also make after-tax contributions up to 6% of their eligible compensation. Company matching contributions are equal to 50% of the first 6% of eligible compensation deferred by the participant on a pretax basis and are made in the form of cash or Company Common Stock (subject to Code limits), at the discretion of the Company. The Plan also allows for rollover contributions from eligible rollover plans as defined in the Code. For the years ended December 31, 2017 and 2016, the matching contributions were paid in cash.

**Investment Options** — Participants may elect to have their current contributions and existing account balances invested in certain investment options offered by the Plan. Information regarding the investment options is provided to each participant through electronic media, or printed media upon request, and prepared materials provided by the Company and in each investment fund's prospectus.

**Participant Accounts** — Each participant's account is credited with the participant's contributions, matching contributions from the Company and allocations of Plan earnings (losses), and may be charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is equal to the vested portion of his or her account.

**Vesting** — Plan participants are immediately vested in their account balances at all times.

**Notes Receivable from Participants** — Participants may borrow from their Plan accounts up to a maximum equal to the lesser of: (i) the lesser of \$50,000 or 50% of their vested account balance; or (ii) the greater of \$10,000, or one-half of the value of the vested portion of the employee's accounts under all plans maintained by the Company and all affiliates. Loan terms range from one to five years, or up to 15 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a fixed rate of interest that is commercially reasonable, as determined by the Plan Administrator. A participant may not have more than one loan outstanding. Principal and interest is paid ratably through payroll deductions. Participant loans are classified as notes receivable from participants on the Statements of Net Assets Available for Benefits and are valued at their unpaid principal balance, plus accrued but unpaid interest. Interest income on notes receivable from participants is recorded when earned. Related fees are recorded as administrative expenses and are recorded when they are incurred. No allowance for credit losses has been recorded as of December 31, 2017 and 2016. Notes Receivable outstanding at December 31, 2017 bear interest ranging from 4.25% to 10.25% per annum. As of December 31, 2017, note maturity dates ranged from January 2018 to September 2032.

Payment of Benefits — On termination of service, a participant may receive a lump-sum amount equal to the vested balance of their account, or in installments over one to twenty years, continue to hold their vested balance in the Plan (if it exceeds \$1,000), or elect to roll over their balance into an eligible retirement plan as defined in the Code, including another qualified plan, the terms of which permit the acceptance of rollover distributions. Active participants may not elect to

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receive distributions in the form of an annuity or annual installments, and may receive in-service withdrawals in certain circumstances, as defined in the Plan document.

**Administrative Fees** — As provided in the Plan document, administrative fees may be paid either by the Plan or the Company. The administrative fees paid by the Plan consist of record keeping, legal, accounting, trustee, investment consulting and other administrative fees.

**Revenue Credit Program** — The Plan provides for a revenue credit program in connection with revenue sharing with certain investment managers. The amounts may be used to pay Plan expenses or allocated to eligible participant accounts. The amount allocated to participant accounts for the years ended December 31, 2017 and 2016 was \$0.7 million and \$0.9 million, respectively.

**Estate Settlement** — The Plan held investment contracts with a company that was declared insolvent in 1991 and opted to receive liquidation payments from the estate. In 2016, the Plan received a distribution of \$1.2 million.

**Plan Termination** — The Company has the right under the Plan to discontinue its matching contributions and/or to terminate the Plan at any time subject to the provisions of ERISA. As of December 31, 2017, the Company has not expressed any intent to terminate the Plan. In the event of Plan termination, participants remain 100% vested in their accounts.

## 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** — The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) under the accrual basis of accounting, except for benefit distributions, which are recorded when paid.

**Use of Estimates** — The preparation of financial statements in conformity with U.S. GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition** — The Plan's investments are stated at fair value except those investments that are fully benefit-responsive investment contracts, which are stated at contract value. Shares of registered investment companies are valued at quoted market prices, which represent the fair value of shares held by the Plan at year-end. The fair value of the participation units owned in the commingled pools are based on quoted redemption values on the last business day of the Plan year. Shares of the Company's common stock are valued at the closing market price on the last day of the Plan year.

The Unisys Interest Income Fund includes investments in a short-term investment fund and synthetic guaranteed investment contracts issued principally by insurance companies and financial institutions. Contract value 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 Statements of Changes in Net Assets Available for Benefits are prepared on a contract value basis. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. Contract value represents contributions and reinvested income, less any withdrawals plus accrued interest, because these investments have fully benefit-responsive features. All participant-initiated transactions with the Unisys Interest Income Fund are permitted at contract value. Withdrawals may not be transferred to competing (short-term bond) funds for 90 days. No other conditions, limits, or restrictions apply to participant-initiated transactions to or from the Unisys Interest Income Fund. However, withdrawals influenced by Company-initiated events, such as in connection with the sale of a business, may result in a distribution at other than contract value. The Plan Administrator does not believe that the occurrence of any of these events that would limit the Plan's availability to transact at contract value is probable of occurring. No reserves have been provided or are considered necessary against contract values for credit risk of contract issuers or otherwise. Crediting interest rates as of December 31, 2017 and 2016 ranged from 1.11% to 1.61% and 0.38% to 1.42% per annum, respectively. Interest rates are set at the time the contract is negotiated and, depending on the terms of the contract, are fixed through the maturity date or are reset monthly or quarterly. The average yield on the contracts was 1.45% and 1.37% per annum for 2017 and 2016, respectively.

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

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## 3. ACCOUNTING STANDARDS

In February 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-06, "Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting," which clarifies how employee benefit plans will present and disclose investments in master trusts. ASU 2017-06 should be applied retrospectively to each period for which financial statements are presented and is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The Plan will adopt the new guidance on January 1, 2019, and does not expect it to have a material impact on the Plan's financial statements.

## 4. INVESTMENTS

The Plan's investments at December 31, 2017 and 2016 were held in trust with Fidelity Management Trust Company (the Trustee).

The Plan had a greater than 99.9% interest in the Unisys Corporation Savings Plan Master Trust (the Master Trust) at December 31, 2017 and 2016. The remaining amounts in the Master Trust related to the Unisys Puerto Rico Savings Plan were \$8 thousand and \$16 thousand, respectively. As of December 31, the net assets of the Master Trust were as follows (in thousands):

	2017	2016
Mutual funds:		
Balanced	\$662,219	\$618,133
Equity	273,189	229,011
Bonds	63,280	63,163
Money market		