

**2021 Substitute Form 3922 Transfer of Stock Acquired Through an Employee Stock Purchase Plan Under Section 423(c)  
Copy B For Employee**

OMB No. 1545-2129

This is important tax information and is being furnished to the Internal Revenue Service.

**CORPORATION'S name, street address, city or town, state or province, country, and ZIP or foreign postal code**

Aon Corporation  
P.O. Box 2108  
Chicago, IL 60690

**EMPLOYEE'S name, street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code**

KOLLI, AYYAPPA  
805 LEWISBURG LN  
AURORA, IL 60504

**CORPORATION'S federal identification number** 36-3051915

**EMPLOYEE'S identification number** 34L-08-8708  
**Account number (see instructions)**

CORRECTED (if checked)

Box 1, Date option granted	Box 2, Date option exercised	Box 3, Fair market value per share on grant date	Box 4, Fair market value per share on exercise date	Box 5, Exercise price paid per share	Box 6, No. of shares transferred	Box 7, Date legal title transferred	Box 8, Exercise price per share determined as if the option was exercised on the date shown in box 1.
01/04/2021	06/30/2021	\$ 204.55	\$ 238.76	\$ 184.10	33.0500	06/30/2021	\$ 184.10

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(Keep for your records)

Aon Corporation  
P.O. Box 2108  
Chicago, IL 60690



If you have questions contact:

Helpdesk  
Phone: 888-870-8805  
Ext:

KOLLI, AYYAPPA  
805 LEWISBURG LN  
AURORA, IL 60504

(Keep for your records)

### Instructions for Employee

You have received this form because (1) your employer (or its transfer agent) has recorded a first transfer of legal title of stock you acquired pursuant to your exercise of an option granted under an employee stock purchase plan, and (2) the exercise price was less than 100% of the value of the stock on the date shown in box 1 or was not fixed or determinable on that date.

No income is recognized when you exercise an option under an employee stock purchase plan. **However**, you must recognize (report) gain or loss on your tax return for the year in which you sell or otherwise dispose of the stock. Keep this form and use it to figure the gain or loss. For more information, see Pub. 525.

**Account number.** May show an account or other unique number your employer or transfer agent assigned to distinguish your account.

**Box 1.** Shows the date the option to purchase the stock was granted to you.

**Box 2.** Shows the date you exercised the option to purchase the stock.

**Box 3.** Shows the fair market value (FMV) per share on the date the option to purchase the stock was granted to you.

**Box 4.** Shows the FMV per share on the date you exercised the option to purchase the stock.

**Box 5.** Shows the price paid per share on the date you exercised the option to purchase the stock.

**Box 6.** Shows the number of shares to which legal title was transferred by you.

**Box 7.** Shows the date legal title of the shares was first transferred by you.

**Box 8.** If the exercise price per share was not fixed or determinable on the date entered in box 1, box 8 shows the exercise price per share determined as if the option was exercised on the date in box 1. If the exercise price per share was fixed or determinable on the date shown in box 1, then box 8 will be blank.

**Future developments.** For the latest information about developments related to Form 3922 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/form3922](http://www.irs.gov/form3922).



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KOLLI, AYYAPPA  
805 LEWISBURG LN  
AURORA, IL 60504

**CORPORATION'S federal identification number** 36-3051915

**EMPLOYEE'S identification number** 346-08-8708  
**Account number (see instructions)**

CORRECTED (if checked)

Box 1, Date option granted	Box 2, Date option exercised	Box 3, Fair market value per share on grant date	Box 4, Fair market value per share on exercise date	Box 5, Exercise price paid per share	Box 6, No. of shares transferred	Box 7, Date legal title transferred	Box 8, Exercise price per share determined as if the option was exercised on the date shown in box 1.
07/01/2021	12/31/2021	\$ 238.68	\$ 300.56	\$ 214.81	22.0700	12/31/2021	\$ 214.81

(Keep for your records)

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income portion is limited to the actual gain on sale (the amount by which the sales proceeds exceeds the purchase price).

### Example

If the stock price is \$220 at the beginning of the six-month offering period and \$250 on the purchase date, you would purchase at \$198 (90% of the lower of \$220 or \$250). For a disqualifying disposition, the purchase discount (ordinary income portion) is \$52, the difference between your \$198 purchase price and the \$250 value on the date of purchase. For a qualifying disposition, the purchase discount (ordinary income portion) is limited to \$22 (the difference between your purchase price of \$126 and the trading value at the beginning of the offering period). As noted above, however, the ordinary income is limited to the actual gain on sale. For example, if the shares were sold at \$215, the ordinary income would be limited to \$17.

On the other hand, if the stock trading price went down to \$215 on the purchase date, you would purchase at \$193.50 (90% of \$215). Your ordinary income for a disqualifying disposition would be \$21.50 (discount on purchase price) and, for a qualifying disposition, it would be \$22 (discount off trading price at beginning of offering period, again, subject to the actual gain limitation described above).

### Note re: Form W-2

For a disqualifying disposition, assuming the Company has been able to track the disposition, the ordinary income will be reported as part of your total salary and wages in Box 1 of your W-2 for the year of sale of the shares. You need to know this because in this case the ordinary income will be added to your cost basis and will reduce the capital gain (or increase the capital loss) you are required to report on the sale of the shares.

### Note re: Form 1099B

Finally, in the year you sell the shares, you will receive a Form 1099B from Fidelity, and the gross proceeds from your sale of shares will be reported in Box 1d.

So, with the gross proceeds figure from the Form 1099B and the information on the enclosed Form 3922, you or your tax advisor can properly calculate the ordinary income and capital gain/loss portion of your income from the sale of shares purchased under the ESPP.

### Form 3922 Details

The IRS Form 3922 refers to the first day of the offering period as the "date option granted," the purchase date as the "date option exercised," the purchase as the "exercise" and the purchase price





as the "exercise price paid per share." In other words, in IRS terminology, your right to purchase shares in the ESPP is an option, and your purchase of shares is an exercise of the option.

You will note the following information in each Box:

Box 1: This is the first day of the relevant ESPP offering period. (This date is important for determining whether the two-year holding period before sale has been met and, therefore, whether the sale is a qualifying or disqualifying disposition.)

Box 2: This is the purchase date for the ESPP shares. (This is important for determining whether a later sale is a long-term or short-term capital gain or loss, based on a 12-month holding period from your date of purchase.)

Box 3: This is the trading price of the ESPP shares on the first day of the offering period. (This is relevant, by subtracting from it the hypothetical purchase price (in Box 8), for determining the purchase discount (ordinary income portion) in a qualifying disposition. But remember, the ordinary income from a qualifying disposition is limited to your actual gain on sale (your proceeds from the sale less your actual purchase price for the ESPP shares).)

Box 4: This is the trading price on the ESPP purchase date. (This is relevant, by subtracting from it the purchase price (in Box 5), for determining the purchase discount (ordinary income portion) in a disqualifying disposition.)

Box 5: This is the purchase price for the ESPP shares purchased on the date in Box 2. (This is relevant, as noted above, for determining the purchase discount (ordinary income) for both qualifying and disqualifying dispositions).

Box 6: This is the number of ESPP shares you purchased on the date in Box 2.

Box 7: This is the date the ESPP shares were purchased, which is the same date as Box 2.

Box 8: This is the discounted price you would have paid if you purchased at a 10% discount from the trading price on the first day of the offering period (date in Box 1). (This is relevant, by subtracting it from the value reported in Box 3, for determining purchase discount (ordinary income portion) on a qualifying disposition, subject to the actual gain limitation described above).

A couple of other matters to note.

In the year of sale you must complete Schedule D to IRS Form 1040 to report your capital gain/loss on the sale of your ESPP shares. Otherwise, the IRS (which will have received the Form 1099B reporting the sale) will assume the entire proceeds from your sale is taxable gain and will likely assert that taxes are owed on that entire amount. As noted above, be sure to include in your cost basis not only the purchase price you paid for the shares (shown in Box 5 of Form 3922), but also any ordinary





income included on your tax return, either as a result of the Company reporting the income in your Form W-2 for the year of sale, or your having calculated it and reported in on line 7 of your Form 1040. You can also add to your cost basis any commissions you paid when your ESPP shares are sold. Your sales price will be the amount shown as gross proceeds on Form 1099B.

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We know this is complicated, but we hope this explanation and Form 3922 will assist you and your tax advisor in properly reporting your ESPP share income when you sell your ESPP shares. You may wish to review the ESPP's prospectus, which contains a further explanation of your tax consequences under the ESPP.

Of course, each individual's tax circumstances may vary, and there are nuances in tax treatment that we have not addressed here, such as wash sales, identification of shares and effect of stock splits. Moreover, tax rules change frequently and this summary may not reflect all changes that might ultimately affect your tax reporting in the year of sale. You should review this as helpful guidance, but not definitive advice, as to your particular tax situation. You should obtain competent tax advice from a tax advisor to properly compute and report your taxable income from your ESPP purchases.

Aon Corporation

