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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report: December 9, 2010  
(Date of earliest event reported)**

**PAYCHEX, INC.**

(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction  
of incorporation)

0-11330  
(Commission  
File Number)

16-1124166  
(IRS Employer  
Identification Number)

911 PANORAMA TRAIL SOUTH, ROCHESTER, NEW YORK  
(Address of principal executive offices)

14625-2396  
(Zip Code)

(585) 385-6666  
(Registrant's telephone number, including area code)

N/A  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **TABLE OF CONTENTS**

[ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT](#)

[ITEM 7.01. REGULATION FD DISCLOSURE](#)

[ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS](#)

[SIGNATURES](#)

[EXHIBIT 99.1](#)

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**ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT**

On December 9, 2010, Paychex, Inc. ("Paychex"), SurePayroll, Inc. ("SurePayroll"), SurePayroll Acquisition Corp, a wholly-owned subsidiary of Paychex ("Merger Sub"), and an individual as representative of the SurePayroll stockholders (the "Representative"), entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which Merger Sub will merge with and into SurePayroll with SurePayroll being the surviving corporation as a wholly-owned subsidiary of Paychex (the "Merger").

The aggregate merger consideration payable by Paychex pursuant to the Merger Agreement is approximately \$115.0 million, subject to certain adjustments including adjustments based on the cash and working capital position of SurePayroll as of the effective time of the Merger (the "Merger Consideration"). A portion of the Merger Consideration will be used to satisfy outstanding secured debt of SurePayroll as of the effective time of the Merger, and \$11.5 million of the Merger Consideration will be held in escrow to secure amounts to which Paychex is entitled as a result of adjustments to the Merger Consideration or indemnification rights. Paychex intends to fund the Merger Consideration from its available cash.

The Merger Agreement contains customary representations, warranties and covenants for transactions of this type. The representations and warranties contained in the Merger Agreement are made by the parties solely for the benefit of each other and should not be relied upon by any other person. Consummation of the Merger is subject to the satisfaction of certain conditions and obtaining certain approvals, including termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

Calendar 2010 revenue for SurePayroll is expected to approximate \$23 million. Paychex does not expect the Merger to have a material impact to either revenue or earnings for the fiscal year ending May 31, 2011.

**ITEM 7.01. REGULATION FD DISCLOSURE**

On December 9, 2010, Paychex issued a news release, a copy of which is furnished herewith as Exhibit 99.1 and is incorporated herein by reference, announcing entry into the Merger Agreement and the contemplated Merger.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

The following exhibit relating to Item 7.01 of this Current Report on Form 8-K is furnished herewith:

Exhibit 99.1 Press Release of Paychex, Inc. dated December 9, 2010.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: December 9, 2010

**PAYCHEX, INC.**

/s/ John M. Morphy

John M. Morphy

Senior Vice President, Chief Financial Officer, and Secretary

# News from Paychex

911 Panorama Trail South • Rochester, NY 14625 • [www.paychex.com](http://www.paychex.com)

## **Paychex to Acquire SurePayroll**

*Acquisition of online payroll provider further expands Paychex growth opportunity in small business, Software-as-a-Service market*

Rochester, NY (December 9, 2010) – Paychex, Inc. (NASDAQ:PAYX), a leading provider of payroll, human resource, and benefits outsourcing solutions for small- to medium-sized businesses, today announced it has entered into an agreement to acquire SurePayroll, Inc., the nation's leading provider of Software-as-a-Service (SaaS) payroll processing for small businesses. SurePayroll, a privately held company founded in 2000, serves approximately 30,000 small businesses with its easy-to-use, online payroll product.

The acquisition combines SurePayroll's next-generation, web-based payroll platform with Paychex's 40 years of payroll experience and world-class customer service, and provides small businesses access to a SaaS-based technology that allows customers to process payroll in minutes, anytime or anywhere, using a web browser or iPhone™ application.

"We are excited to have SurePayroll join the Paychex family," says Martin Mucci, Paychex president and CEO. "This acquisition helps Paychex expand further into a new segment of the online market for small business - a fast-growing part of the market that we believe will continue to thrive."

Converting businesses that today do their payroll manually to a full-service Paychex payroll product or a self-service, online solution represents a significant growth opportunity for Paychex, as there are millions of businesses in the U.S. with fewer than five employees each currently doing their payroll manually.

"As some small businesses get more comfortable doing business online, and as they demand more control, convenience, and online product functionality, we believe the 'new manual' method of doing payroll will be the online model Paychex can now offer through SurePayroll," Mucci says. "We have the full range of alternatives, depending on the level of interaction a customer wants. For those who prefer more control, the SurePayroll model provides that. For those customers who want a high level of personal interaction with a dedicated payroll specialist, we offer that, too. Quality customer service is a fundamental part of Paychex and SurePayroll, and always will be."

"We are excited for our customers, channel partners, employees, and small businesses everywhere. This is a great combination of strengths," says Michael D. Alter, SurePayroll president. "SurePayroll is the leader in SaaS-delivered payroll for small business, and Paychex is an experienced leader in the outsourcing of payroll, human resources, and benefits. With the help of Paychex's resources, SurePayroll will continue building upon and accelerate our leadership position in the self-service, SaaS payroll space."

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In addition to marketing its SaaS-based product suite directly to small businesses, SurePayroll has a leading position with a variety of channel partners, including some of the nation's foremost banking institutions, such as Citibank, Harris Bank, and SunTrust Bank. The financial institutions provide the SurePayroll offerings to their small business customers through private-label and referral agreements.

"The bank channel is very important to Paychex, and it represents another area of significant growth opportunity for us. Paychex values SurePayroll's relationships, and they will remain in place," Mucci says.

The transaction is expected to close by the end of calendar 2010 and is subject to regulatory review and other customary closing conditions. SurePayroll will be operated as a wholly owned subsidiary of Paychex. Michael Alter will continue to serve as president of SurePayroll.

#### **About Paychex**

Paychex, Inc. (NASDAQ:PAYX) is a leading provider of payroll, human resource, and benefits outsourcing solutions for small- to medium-sized businesses. The company offers comprehensive payroll services, including payroll processing, payroll tax administration, and employee pay services, including direct deposit, check signing, and Readychex®. Human resource services include 401(k) plan recordkeeping, section 125 plans, a professional employer organization, time and attendance solutions, and other administrative services for business. A variety of business insurance products, including group health and workers' compensation, are made available through Paychex Insurance Agency, Inc. Paychex was founded in 1971. With headquarters in Rochester, New York, the company has more than 100 offices serving approximately 536,000 payroll clients nationwide as of May 31, 2010. For more information about Paychex and our products, visit [www.paychex.com](http://www.paychex.com).

#### **About SurePayroll**

SurePayroll is dedicated to providing a simple, convenient, and accurate online payroll service for small business owners. Tens of thousands of customers rely on SurePayroll to process payroll on demand in as few as two minutes. SurePayroll has received numerous prestigious awards for its innovative technology and outstanding customer service, including recognition from *PC Magazine, Inc. 500*, *Accounting Today*, and the American Business Awards.

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#### **Media Contact:**

##### **Paychex:**

Laura Saxby Lynch  
Paychex, Inc.  
Corporate Communications Director  
585-383-3074  
[lsaxbylynch@paychex.com](mailto:lsaxbylynch@paychex.com)