

# The History of Paychex

Paychex has a rich history of products and services that have made the process of managing a business easier over the years. Join us for a trip back in time as we explore our roots and milestones from the beginning in 1971 to the present.

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## 1971



### The Beginning

Many payroll processors were ignoring a huge potential market — the 98 percent of American businesses with fewer than 100 employees. In 1971, B. Thomas Golisano took advantage of this opportunity, and with \$3,000, one employee, and 40 clients, he founded a new company in Rochester, NY called Paymaster — soon to be Paychex, to provide payroll to small- to-medium sized businesses.

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## 1983



### Headquarters Built

Just four years after consolidation, Paychex became a publicly held company and constructed a new corporate headquarters at 911 Panorama Trail South in Rochester, NY.

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## 1979



### Company Consolidation

Paychex quickly expanded beyond Rochester to include 18 franchises and partnerships, which in 1979 were consolidated into one privately-held company.

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## 1986

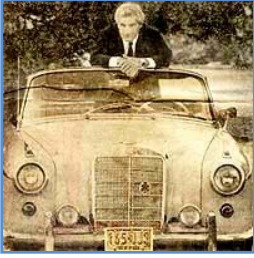


### PGA Partnership with Jeff Sluman

Began a long and proud partnership with professional golfer Jeff Sluman, who started sporting the Paychex logo on the course in a sports marketing agreement. Jeff's 1986 season included 7 top-10 finishes in 36 PGA events.

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## 1987



### Benefits Services Introduced

Expanded beyond payroll services for the first time, introducing its Benefits Services division.

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## 1988



### Jeff Sluman Wins PGA Championship

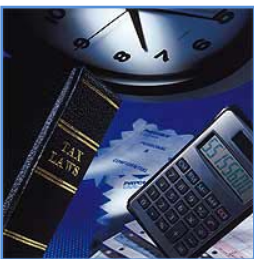
Paychex-sponsored golfer Jeff Sluman won the PGA Championship at Oak Tree Golf Course in Oklahoma.

### New Service: Personnel Services

Personnel Services division launches.

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## 1989



### Corporate Headquarters Expands

Broke ground on a 107,000 square-foot addition to corporate headquarters — doubling the size of the building.

### New Product: Taxpay®

Taxpay launches, allowing clients to outsource tax payments and returns along with their payroll.

### Client Count

Paychex reached 100,000 clients.

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## 1990



### Taxpay® Grows

Taxpay® service continues to grow with more than 7,000 clients on the new service, providing the payment of payroll and taxes and automatic filing of payroll tax returns.

### Client Count

Paychex grew to 120,000 clients.

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## 1991



### New Service: Human Resource Services

Human Resource Services is launched—offering products and services including employee handbooks, insurance, employee evaluation and testing tools, and section 125 plans.

### Anniversary

Paychex celebrates its 20th anniversary.

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## 1992



### Honors

Paychex was named to Standard & Poor's Mid-Cap 400.

### New Service: Direct Deposit

Direct Deposit service was offered to Paychex Taxpay® clients as a simple and effective way to save payroll processing costs.

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## 1993



### Stock Purchase Plan

Paychex Board of Directors approved Dividend Reinvestment Stock Purchase Plan.

### New Product: Paylink®

Introduced Paylink® Payroll Software to assist clients with in-house payroll processing.

### Client Count

Taxpay® division reached 50,000 clients.

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## 1994

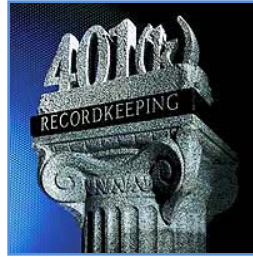


### NASDAQ-100

Joined the NASDAQ-100 Index®, comprised of 100 of the largest non-financial stocks listed on the NASDAQ Stock Market.

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## 1995



### Acquisitions

Acquired two California companies — Pay-Fone and Payday.

### New Service: 401(k) Recordkeeping

401(k) Recordkeeping was now offered through the Human Resource Services Division.

### Client Count

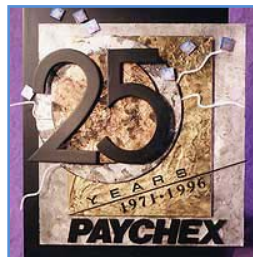
Taxpay® division reached 100,000 clients.

### Client Count

Paychex reached 210,000 clients.

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## 1996



### Acquisitions

Expanded its large business portfolio and experience by acquiring Olsen Computer Systems, Inc. and National Business Solutions.

### New Service: Major Market Services

Major Market Services was introduced to businesses with 50 or more employees, providing comprehensive payroll and human resource solutions for medium and large businesses across the United States.

### Anniversary

Paychex celebrated its 25th anniversary.

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## 1998



### **NASCAR Partnership with Brett Bodine**

Sponsored the Scandia Bodine Racing team's 1998 NASCAR Winston Cup campaign, with Brett Bodine driving the no. 11 Paychex Ford.

### **Stock Split**

Paychex Board of Directors declared its eighth 3-for-2 stock split.

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## 1999



### **Brett Bodine's Sponsorship Renewed**

Paychex again sponsored the Brett Bodine Racing team's 1999 NASCAR Winston Cup campaign.

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## 2002



### **Acquisitions**

Acquired Advantage Payroll Services, Inc., a privately owned payroll processor with a national network of 41 offices serving small- to mid-sized businesses throughout the U.S. The merger added more than 49,000 new clients.

### **Client Count**

Paychex reached 390,000 clients.

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## 2003



### **AICPA and Paychex Partnership**

The American Institute of Certified Public Accountants (AICPA) Business Solutions Program selected Paychex as its preferred payroll provider. This CPA partnership program helps strengthen the relationship between CPAs and their clients.

### **Acquisitions**

Acquired InterPay, Inc., a national payroll and human resource administrative services provider focused on small- to medium-sized clients in 49 states. The merger added 33,000 new clients.

### **Paychex Expands**

Opened new offices in Chattanooga, TN; Greenville, SC; Lexington, KY; and Wilmington, NC.

### **Acquisitions**

Acquired the Time In A Box® product from Stromberg, a market leader in time and attendance and employee management solutions.

### **Client Count**

Paychex reached 490,000 clients.

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## 2004



### **Thomas Golisano Retires**

Paychex founder B. Thomas Golisano retired from his position as president and CEO; long-time IBM executive Jonathan J. Judge was named as his successor. Tom remained chairman of the Paychex Board of Directors.

### **Acquisitions**

Announced the acquisition of Stromberg, a market leader in time and attendance software solutions for mid- to large-sized businesses. Stromberg's suite of labor management products includes time and attendance, employee self-serve, scheduling, and more.

### **Client Count**

Paychex Major Market Services reached 25,000 clients.

### **Client Count**

Paychex reached 505,000 clients.

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## 2005



### **Paychex Helps During Hurricane Katrina**

Processed, printed, and mailed more than 270,000 disaster relief checks for victims of Hurricane Katrina in Louisiana. Paychex partnered with the American Red Cross and Hibernia National Bank for this six-week program.

### **Accounting Partnerships Expand**

Launched Accountant Advisory Boards in Boston, MA; Atlanta, GA; and Orange County, CA. The new initiative expanded Paychex's long-time partnership with accounting professionals and offered a new forum to gain valuable input on ways to best meet the needs of CPAs and their clients.

### **AICPA Business Solutions Adds More Paychex Services**

The Paychex Partner Program from AICPA Business Solutions was expanded to include not only Paychex Payroll offers, but also Paychex 401(k) Recordkeeping Services and Major Market Services offers. This program benefits CPAs by providing unique value opportunities intended to enhance their client relationships.

### **New Service: Paychex Premier® Human Resources**

Added Paychex Premier® Human Resources to its growing suite of HR products and services. This comprehensive human resource outsourcing solution offers full payroll and HR administration services with the expert support of an on-site Human Resource Representative.

### **New Product: Health Savings Account**

Health Savings Accounts (HSAs) were added to the Paychex product line as a tool for employers and employees to pay for current and future qualified medical expenses on a tax-free basis.

### **Client Count**

Paychex Administrative Services reached 5,000 clients.

### **Client Count**

Paychex reached 522,000 clients.

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## 2006



### **Lifetime Contract with PGA Golfer Jeff Sluman**

Signs a lifetime sponsorship contract with six-time PGA winner Jeff Sluman while recognizing the 20th anniversary of the partnership between Paychex and the pro golfer. The partnership is one of the longest-running corporate sponsorships on the PGA Tour today.

### **AICPA Business Solutions Partnership Extended**

The Paychex Partner Program from AICPA Business Solutions is extended for an additional five years. Paychex earned the distinction of being named AICPA Business Solutions' preferred retirement plan services provider.

### **Client Count**

Paychex reached 543,000 clients.

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## 2007



### **PGA Partnership with Danielle Downey**

Signs a two-year sponsorship agreement with professional golfer Danielle Downey.

### **Preferred Payroll Provider**

Named a Preferred Payroll Provider for the National Association of Enrolled Agents (NAEA).

### **Quarterly Dividend Increases**

In July, the Board of Directors declared a 43% increase in the company's regular quarterly dividend – going from \$.21 per share to \$.30 per share. Paychex also announced its intention to repurchase up to \$1.0 billion of its common stock.

### **New Service: Tax Credit Services**

Introduced its new Tax Credit Services, a product that provides small and medium-sized businesses across the United States with an easy and cost-effective tool, to help them identify and apply for wage-based tax credits that they may be eligible to receive.

### **Client Count**

Paychex reached 561,000 clients.

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## 2009



### **Acquisitions**

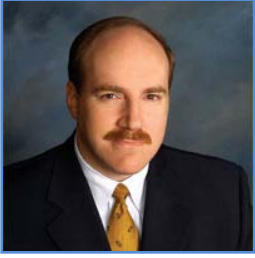
Announced the sale of Stromberg, a time and attendance company serving mid- to large-sized businesses, to Kronos Incorporated, a global leader in workforce management solutions.

### **New Product: Time and Labor Online**

Time and attendance product expanded with the addition of Time and Labor Online, an Internet-based time and labor management system that gives businesses an easy and cost-effective way to automate time and attendance processes.

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# 2010



## **Martin Mucci Becomes President and CEO**

Martin Mucci named president and chief executive officer, succeeding Jonathan J. Judge, who resigned in July 2010.

## **Acquisitions**

Acquires SurePayroll, Inc., the nation's leading provider of online payroll processing for small businesses.

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# 2011



## **Acquisitions**

Paychex acquires ePlan Services, Inc., a provider of recordkeeping and administrative solutions to the defined contribution marketplace.

## **New CFO**

Paychex CFO John Morphy retires and is succeeded by Efrain Rivera.

## **CPA2Biz Partner Expansion**

Paychex and CPA2Biz extend their long-standing strategic alliance to September 2016; Paychex is the preferred provider of payroll and retirement services for AICPA members and their clients.

## **New Vice Presidents**

Appointed four new vice presidents: Andrew B. Childs, vice president of marketing; Laurie L. Zaucha, vice president of human resources and organizational development; Mark Bottini, senior vice president of sales; and Sanjay Hiranandani, vice president of information technology operations.

## **Paychex Online Mobile**

Paychex expands its Software as a Service (SaaS) product offerings for clients with the launch of the Paychex Online Mobile application for the Apple® iPad®.

## **BuildMyBiz Launches**

Paychex launches [BuildMyBiz.com](http://BuildMyBiz.com), a website to help entrepreneurs start, grow, and manage a business.