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

FORM 10-K

[X] **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 2014

OR

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-5397

AUTOMATIC DATA PROCESSING, INC.

(Exact name of registrant as specified in its charter)

Delaware	**22-1467904**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
One ADP Boulevard, Roseland, New Jersey	**07068**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **973-974-5000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.10 Par Value (voting)	**NASDAQ Global Select Market**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [**x**] No [ ]

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes [ ] No [**x**]

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes [**x**] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [**x**] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [**x**]   Accelerated filer [ ]   Non-accelerated filer [ ]   Smaller reporting company [ ]

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). [ ] Yes [**x**] No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant as of the last business day of the Registrant's most recently completed second fiscal quarter was approximately $38,838,719,941 . On July 31, 2014 there were 480,912,107 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for its 2014 Annual Meeting of Stockholders.	Part III

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Part I

Item 1. Business

CORPORATE BACKGROUND

General

ADP ® was founded in 1949 on an innovative idea to help business owners focus on core business activities by relieving them from certain administrative tasks such as payroll. Automatic Data Processing, Inc. was incorporated in the State of Delaware in June 1961 and completed its initial public offering in September 1961. Today we are one of the world's leading providers of human capital management solutions to employers, as well as integrated computing solutions to vehicle dealers around the world. We offer solutions to businesses of all sizes, whether they have simple or complex needs, and serve approximately 637,000 clients in more than 125 countries. Our common stock is listed on the NASDAQ Global Select Market® under the symbol “ADP”.

When we refer to “we”, “us”, “our”, “ADP”, or the “Company” in this Annual Report on Form 10-K, we mean Automatic Data Processing, Inc. and its consolidated subsidiaries.

Available Information

Our corporate website, *www.adp.com* , provides materials for investors and information about our services. ADP's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, all amendments to those reports, and the Proxy Statement for our Annual Meeting of Stockholders are made available, free of charge, on our corporate website as soon as reasonably practicable after such reports have been filed with or furnished to the Securities and Exchange Commission (SEC) and are also available at the SEC's website at *www.sec.gov* . The content on any website referenced in this filing is not incorporated by reference into this filing unless expressly noted otherwise.

BUSINESS OVERVIEW

ADP's Mission and Strategy

For 65 years, ADP’s mission has been to help organizations unlock their business potential with our insightful solutions. Our commitment to service excellence lies at the core of our relationship with each of our clients, whether a small, midsized or large organization, in one or multiple countries. We innovate to deliver new products and services that anticipate client needs in all of our markets. We help businesses focus on and optimize the most important investment they make - their investment in their people. From recruitment to talent management to retirement, our unique combination of expertise and technology offers insights that help our clients leverage human capital management (HCM) to drive better business results. Our future success also depends on our recruiting, hiring, developing and retaining highly qualified, motivated and diverse talent. Predicated on these priorities, our business strategy is based upon the following three strategic pillars, which are designed to position ADP as the global market leader in HCM services:

- grow our integrated suite of cloud-based HCM, benefits, and payroll solutions to serve the U.S. market;
- invest to grow and scale our HR Business Process Outsourcing (BPO) solutions by leveraging our platforms and processes; and
- leverage our global presence to offer clients HCM, benefits, and payroll solutions where they do business.

Reportable Segments

ADP's three reportable business segments are: Employer Services; Professional Employer Organization (PEO) Services; and Dealer Services. For financial data by segment and by geographic area, see Note 15 to the “Consolidated Financial Statements” contained in this Annual Report on Form 10-K.

On April 10, 2014, we announced that our Board of Directors approved a plan to separate our Dealer Services business into an independent publicly traded company through a tax-free spin-off of 100% of our Dealer Services business to ADP shareholders. The spin-off is subject to required regulatory approvals and reviews and we expect to complete the separation by October 2014. For more information on the spin-off of our Dealer Services business, see Note 2 to the “Consolidated Financial Statements” contained in this Annual Report on Form 10-K.

Employer Services . Employer Services is our largest segment, with 36,000 associates in 35 countries. Employer Services offers a comprehensive range of business outsourcing and HCM solutions, including:

- Payroll Services
- Benefits Administration
- Talent Management
- Human Resources Management
- Time and Attendance Management
- Insurance Services
- Retirement Services
- Tax, Compliance and Payment Solutions

Employer Services’ approach to the market is to deliver solutions and services that best meet clients’ requirements. Employer Services serves clients ranging from small businesses with fewer than 50 employees to large enterprises with multinational operations.

Professional Employer Organization (PEO) Services . ADP's PEO business, called ADP TotalSource®, provides approximately 7,800 clients with comprehensive employment administration outsourcing solutions through a co-employment relationship in which employees who work at a client's location (referred to as “worksite employees”) are co-employed by us and the client. ADP TotalSource is the largest PEO in the United States based on the number of worksite employees, serving approximately 340,000 worksite employees in all 50 states.

Dealer Services . Dealer Services provides integrated dealer management systems, digital marketing/advertising solutions and other business management solutions to retailers, distributors and manufacturers of automobiles, minivans, sport utility vehicles, light and heavy trucks, construction equipment, agricultural equipment, motorcycles, boats and other marine vehicles and recreational vehicles. Dealer Services provides solutions to a diverse client base throughout the United States and in approximately 100 additional countries internationally, serving more than 26,000 automotive retailers and original equipment manufacturers.

PRODUCTS AND SERVICES

Employer Services

Human Capital Management (HCM). In order to serve the unique needs of diverse types of businesses, ADP provides a range of solutions, via a software and service-based delivery model, which businesses of all sizes can use to recruit, staff, pay, manage, and retain employees. We serve more than 430,000 clients via ADP's software as a service (SaaS) offerings, commonly referred to as "the cloud." As a leader in the growing HR Business Process Outsourcing (BPO) market, we also offer fully integrated outsourcing solutions that enable our clients to outsource their HR, time and attendance management, payroll, and benefits administration functions to ADP. In addition, our mobile applications enable businesses to process their payroll, and gives more than 2.5 million of our clients' employees convenient access to their benefits, payroll, time and attendance and HR information, via multiple mobile device platforms.

Integrated HCM Solutions **.** Our premier suite of human capital management products offers integrated solutions to assist employers of all sizes in all stages of the employment cycle from recruitment to retirement:

- RUN Powered by ADP® is used by more than 380,000 small businesses. It combines a software platform for managing small business payroll, human resources management and tax compliance administration, with 24/7 service and support from our team of small business experts. RUN Powered by ADP also integrates with other available ADP services, such as time and attendance tracking, workers compensation insurance premium payment plans, and certain retirement plans.

- ADP Resource® is a comprehensive human resources management outsourcing solution for small businesses that offers payroll and tax administration, recruitment and selection, employee assistance, employee training programs, and risk management and safety programs. ADP Resource also integrates with other available ADP services, such as 401(k) plan administration services and workers compensation insurance premium payment plans.

- ADP Workforce Now® is a flexible HCM solution used by more than 50,000 midsized businesses to manage their employees across more than 30 countries. In addition, ADP Workforce Now puts powerful mobile HR solutions in the hands of client employees, and opens access to developers and system integrators through the platform’s Application Programming Interface (API) Library. More businesses use ADP Workforce Now than any other HCM solution designed for the midmarket today.

- ADP Vantage HCM® is a solution for large enterprises with more than 1,000 employees. It offers a comprehensive set of human capital management capabilities within a single solution that unifies the five major areas of HCM: human resources management, benefits administration, payroll, time and attendance management, and talent management.

- ADP GlobalView® and ADP Streamline® offer HCM solutions to multinational companies. GlobalView allows the largest multinational clients to standardize their HCM strategies across geographical regions, including multi-country payroll and human resources management, talent management, and time and attendance management. ADP Streamline® offers global payroll processing and human resources administration services to businesses with small and midsized operations in multiple countries. ADP GlobalView Select combines GlobalView and Streamline offerings into one integrated solution that allows a large multinational client to cover its multi-country payroll and other HCM needs across multiple countries covering the full range of its large, midsized and small operations.

Payroll Services. ADP provides flexible payroll services to employers of all sizes, including the preparation of employee paychecks, pay statements, supporting journals, summaries, and management reports. ADP provides employers with a wide range of payroll options ranging from manually calling in their payroll to our specialists; entering their payroll data online with an internet-based solution or via a mobile device; or outsourcing their entire payroll process to ADP. ADP also enables its largest clients to interface their major enterprise resource planning (ERP) applications with ADP's outsourced payroll services. Employers can choose a variety of payroll payment options ranging from professionally printed checks to ADP's electronic wage payment and payroll card solutions. ADP also prepares and files federal, state and local payroll tax returns and quarterly and annual Social Security, Medicare, and federal, state and local income tax withholding reports on our clients' behalf. In addition, as part of our W-2 management services, ADP supplies year-end tax statements to our clients' employees. For those clients who choose to process payroll in-house, ADP also delivers our Tax, Compliance and Payment Solutions described below.

Benefits Administration . ADP provides flexible solutions for outsourced employee benefits administration. Employee benefits administration options include health and welfare administration, spending account management (health care spending accounts, dependent care spending accounts, health reimbursement arrangements, health savings accounts, commuter benefits, and employee reimbursement services), COBRA administration, direct bill services, leave administration services, carrier enrollment services, employee communication services, and dependent verification services. In addition, ADP benefits administration solutions offer employers an efficient cloud-based eligibility and enrollment system. It provides their employees with tools, communications, and other resources they need to understand their benefits options and make informed choices. In addition, ADP provides tools and solutions to assist employers in meeting the demands of health care reform and their related employer responsibilities, as well as strategic insight into employer trends.

Talent Management . ADP's Talent Management Solutions simplify the talent acquisition and performance management process from recruitment to ongoing employee development. ADP's proprietary recruiting automation platform helps employers find, recruit, and hire talent quickly and cost effectively. Employers can also meet their hiring needs by outsourcing their internal recruitment function to ADP. ADP's pre-employment services enable employers to track candidates, screen candidate backgrounds, and integrate data to facilitate the onboarding process for new hires. ADP's performance and compensation management applications provide tools to automate the entire performance management process from goal planning to employee evaluations and help employers align compensation with employee performance within budgetary constraints. Integrated with ADP's performance management applications, ADP's career development and succession management solutions offer tools that allow employees to build and update their employee profiles, search for potential positions within the organization, and create-forward looking career paths, while enabling managers to identify and mitigate potential retention risks. In addition, ADP's learning management solutions provide a single point of access to learning and knowledge management capabilities via multiple online delivery methods.

Human Resources Management . Commonly referred to as Human Resource Information Systems (HRIS), ADP's Human Resources Management Solutions provide employers with a single source of record to support the entry, validation, maintenance, and reporting of data required for effective HR management, such as employee names, addresses, job types, salary grades, employment history, and educational background. ADP's Human Resources Management Solutions can also be integrated with ADP's Talent Management Solutions and other HCM offerings.

Time and Attendance Management . ADP offers multiple options for employers of all sizes to collect employee time and attendance information, including electronic timesheets, badge cards, biometric and touch screen time clocks, telephone/interactive voice response, and mobile smartphones and tablets. ADP's time and attendance tracking tools simplify employee scheduling and automate the calculation and reporting of hours worked, helping employers enforce leave and attendance policies more consistently, control overtime, and manage compliance with wage and hour regulations.

Insurance Services . ADP Insurance Services, in conjunction with our licensed insurance agency, Automatic Data Processing Insurance Agency, Inc., facilitates access to workers compensation and group health insurance for small and midsized clients through a variety of insurance carriers. ADP's automated Pay-by-Pay ® premium payment program calculates and collects workers' compensation premium payments each pay period.

Retirement Services . ADP Retirement Services helps employers administer various types of retirement plans, such as 401(k) (including “safe harbor” 401(k) and Roth 401(k)), profit sharing (including new comparability), SIMPLE IRA, and executive deferred compensation plans. ADP Retirement Services offers a full service 401(k) plan program, which provides recordkeeping and administrative services, combined with an investment platform offered through ADP Broker-Dealer, Inc. that gives our clients' employees access to a wide range of non-proprietary investment options and online tools to monitor the performance of their investments. ADP Retirement Services also offers trustee services through a third party.

Tax, Compliance and Payment Solutions

Employment Tax Services . As part of ADP's employment tax services, ADP prepares and files employment tax returns on our clients' behalf with federal, state, and local tax agencies. In connection with these services, ADP collects federal, state, and local employment taxes from clients and remits these taxes to the appropriate taxing agencies via an electronic interface with over 7,000 federal, state, and local tax agencies in the United States. ADP also responds to inquiries from tax agencies and assists with filing tax protests on the clients' behalf. In addition to our full service payroll tax solution, ADP offers a software solution for do-it-yourself employment tax management that can complement a client's in-house payroll system. In our fiscal year ended June 30, 2014 (“fiscal 2014 ”), ADP in the United States processed and delivered approximately 53 million employee year-end tax statements and approximately 44 million employer payroll tax returns and deposits, and moved approximately $1.5 trillion in client funds to taxing agencies and our clients' employees via electronic transfer, direct deposit, and ADPCheck ™ .

Tax Credits Services . ADP Tax Credits Services helps clients take advantage of tax credit opportunities as they hire new employees, including federal, state, and local tax credits based on geography, demographics, and other criteria such as work opportunity tax credits, federal empowerment zone employment credits, economic development incentives, training grants, and many other incentives. Integrating the entire process with clients' existing hiring programs, ADP Tax Credits Services helps clients screen job applicants and process eligibility forms, monitor and manage screening and form compliance, submit forms to state agencies for tax credit certification, calculate credits, and produce a detailed audit trail.

Wage Garnishment Services . ADP offers an integrated solution to help our clients manage the wage garnishment process through integration with the client's payroll system. As part of this comprehensive service, ADP also helps process required correspondence to payee agencies, lien processing and order evaluation, and notices. ADP's wage garnishment services also includes a call center to field garnishment-related inquiries from employees, payees, and other third parties.

Unemployment Claims Management . ADP offers a single-source solution to help manage the entire unemployment claims process, including pre-separation planning, claim protests and administration, appeal processing, hearing representation, and audits of benefit charges.

Wage Payment and Pay Card Solutions . In addition to ADPCheck, ADP's traditional payroll check offering, ADP offers electronic payroll disbursement options that can be integrated with the client's payroll systems and ERP applications. With ALINE Pay by ADP®, payroll can be disbursed via ALINE Check by ADP®, direct deposit, or the ALINE Card by ADP®, a network-branded payroll card. ALINE Check provides employees with an independent and convenient self-issued means to receive wages that includes the standard features available with a traditionally-issued payroll check. Using the ALINE Card, employees can access their payroll funds immediately in several ways, including via a network member bank or an ATM or point of sale terminal. The ALINE Card can also be used to make purchases or pay bills. Additional features of the ALINE Card include the ability to load additional funds onto the card, receive electronic payments such as government benefits or tax refunds, and transfer funds from the card to a U.S. bank account.

Professional Employer Organization (PEO) Services' Products and Services

ADP TotalSource®, ADP's PEO business, offers small and midsized businesses a comprehensive human resources outsourcing solution through a co-employment model. As a PEO, ADP TotalSource provides integrated human resources management services while the client continues to direct the day-to-day job-related duties of the employees. ADP TotalSource integrates key HR management and employee benefits functions, including HR administration, employee benefits, and employer liability management, into a single-source solution:

HR Administration. ADP TotalSource offers a variety of comprehensive, integrated HR administration services, such as:

- employee recruitment and selection
- payroll and tax administration
- time and attendance management
- benefits administration
- employee training and development
- online HR management tools
- employee leave administration

Employee Benefits . Through the co-employment model, ADP TotalSource provides eligible worksite employees with access to:

- group health, dental and vision coverage
- a 401(k) retirement savings plan
- health savings accounts
- flexible spending accounts
- group term life and disability coverage
- an employee assistance program

Employer Liability Management. ADP TotalSource helps clients manage and limit employment related risks and related costs by providing:

- a workers' compensation program
- unemployment claims management
- safety compliance guidance and access to safety training
- access to employment practices liability insurance
- guidance on compliance with federal, state and local employment laws and regulations

ADP TotalSource's scale allows us to deliver a variety of benefits and services with efficiency and value typically out of reach to small and midsized businesses. ADP TotalSource is the largest PEO in the United States based on the number of worksite employees. ADP TotalSource has 59 offices located in 29 states and serves approximately 7,800 clients and an aggregate of approximately 340,000 worksite employees in all 50 states.

Dealer Services

Dealer Management Systems and Other Retail Solutions . Dealer Services' Dealer Management Systems (DMS) offer enterprise technology solutions that provide an integrated suite of features and services that enable our clients to manage their information systems and process workflows involved in running automotive retail operations. DMS solutions are available as “on-site” applications installed at the retail location or as managed services solutions in which clients access ADP's DMS solutions through a cloud-based IT environment managed by ADP. The DMS accounting modules help clients manage all standard accounting procedures, including general ledger, receivables and balance sheet maintenance. The DMS service and parts modules enable automation of client operations such as service and repair order processing, purchase orders and parts ordering. The DMS sales and finance and insurance (F&I) modules facilitate clients' ability to manage customer inquiries, develop, analyze, present, and consummate transactions with customers, manage and print the forms needed to consummate such transactions, and track funds. Dealer Services also offers a full range of additional solutions that address every department and functional area of the dealership, including customer relationship management (CRM) applications, vehicle inventory and lot management solutions, and telephone systems. These additional solutions are typically fully integrated with the DMS.

Digital Marketing Solutions . Dealer Services provides digital marketing solutions under the Cobalt® brand, which ADP acquired in 2010. Cobalt digital marketing/advertising solutions and services include dealership websites, sales leads, email marketing, search and display advertising, and social media marketing and management services. These solutions are sold both as retail network marketing programs in conjunction with the manufacturers of ten leading automotive brands, as well as directly to automobile dealerships and regional dealer associations. Dealer Services' digital marketing solutions allow dealerships and original equipment manufacturers to connect with customers and manage their brands.

Network Management Solutions . Dealer Services designs, establishes, and maintains communications network solutions for its dealership clients that allow interactive communications among multiple site dealerships and connect franchised dealers with their vehicle manufacturer franchisors. These networks are used for activities such as new vehicle ordering and status inquiry, warranty submission and validation, parts and vehicle location, dealership customer credit application submission and decision-making, vehicle repair estimation, and acquisition of vehicle registration and lien holder information. Dealer Services' network solutions also include integrated IP telephony systems, wired and wireless network access solutions, and security management applications.

Training Services . Dealer Services offers comprehensive training and business process consulting services for many of its business solutions via multiple delivery methods. Task-specific internet-based courses are fully automated and available 24 hours a day. Dealer Services also provides interactive instructor-led training via internet-based sessions or live classroom courses that are customized to meet our clients' specific needs.

MARKETS AND MARKETING METHODS

Employer Services offers its products and services in the United States and other countries. In fiscal 2014 , 79% of Employer Services' revenues were from the United States, 14% were from Europe, 4% were from Canada, and 3% were from South America, Australia, and Asia. ADP GlobalView is available to the largest multinational clients in 41 different countries and ADP Streamline is available to clients with small and midsized operations in 100 different countries. In addition, Employer Services offers in-country payroll and human resources outsourcing solutions to both small and large clients in 33 countries. In Canada, we are a leading provider of payroll processing (including full departmental outsourcing) and human resource administration services. Within Europe, we have business operations supporting our in-country solutions in France, Germany, Italy, the Netherlands, Poland, Spain, Switzerland, and the United Kingdom. We also offer payroll outsourcing services as well as HCM solutions in South America (in Brazil, Chile, Argentina, and Peru), China, India, and Australia. We offer wage and tax collection and remittance services in Canada, the United Kingdom, the Netherlands, and France. PEO Services offers services exclusively in the United States.

Dealer Services primarily serves automobile dealerships, which in turn may be dependent on a relatively small number of automobile manufacturers, but also serves truck, powersports (i.e., motorcycle, marine, and RV) and heavy equipment dealers, auto repair shops, used car lots, state departments of motor vehicles, vehicle manufacturers, and vehicle distributors. Dealer Services has offerings in 100 countries across North America, Europe, Africa, the Middle East, and the Asia Pacific region.

We market our products and services primarily through our direct sales force. Employer Services also markets its solutions through indirect sales channels, such as marketing relationships with banks and accountants, among others. In addition, Dealer Services uses distributors to sell, implement and support its solutions in select emerging markets. None of ADP's major business groups has a single homogenous client base or market. While concentrations of clients exist in specific industries, no one client or industry group is material to ADP's overall revenues. ADP enjoys a leadership position in each of its major service offerings and does not believe any major service or major business unit of ADP is subject to unique market risk.

COMPETITION

The industries in which ADP operates are highly competitive. ADP knows of no reliable statistics by which it can determine the number of its competitors, but it believes that it is one of the largest providers of business outsourcing solutions in the world. Employer Services and PEO Services compete with other independent business outsourcing companies, companies providing enterprise resource planning services, software companies and financial institutions. In addition, another competitive factor in the industries in which Employer Services and PEO Services operate is a company's use of third party software applications or a captive in-house function, whereby a company installs and operates its own business processing systems. Dealer Services' competitors include full service DMS providers, such as The Reynolds & Reynolds Company (Dealer Services' largest DMS competitor in the United States and Canada), Dealertrack Technologies, Inc., and companies providing applications and services that compete with Dealer Services' non-DMS applications and services, such as Auto Trader Group, Inc. and Dealer.com, Inc.

INDUSTRY REGULATION

Our business is subject to a wide range of complex laws and regulations. In addition, many of our products and services are designed to assist clients with their compliance with certain laws and regulations to which they are subject. We have developed and continue to enhance compliance programs and policies to monitor and address the legal and regulatory requirements applicable to our products, services, and operations, including dedicated compliance personnel and training programs.

As one of the world's largest providers of business outsourcing solutions, our systems contain a significant amount of both sensitive client data and data related to employees of our clients. We are, therefore, subject to compliance obligations under both federal and state privacy and data security-related laws, including, with respect to some of our businesses such as our COBRA, flexible spending account and insurance services businesses, ADP AdvancedMD® and ADP TotalSource®, the Health Insurance Portability and Accountability Act of 1996. We are also subject to federal and state security breach notification laws with respect to both our own employee data and client employee data. Additionally, the changing nature of privacy laws in the United States, the European Union and elsewhere could impact our processing of personal information of our employees and on behalf of our clients.

As part of our payroll and payroll tax management services, we move client funds to taxing authorities and our clients' employees via electronic transfer, direct deposit, and ADPCheck. Certain elements of our U.S. money transmission activities, including our electronic payment and prepaid access (payroll pay card) offerings, are subject to certain licensing requirements. Elements of our money transmission activities outside of the United States are subject to similar laws and requirements in the countries in which we offer such services. In addition, our U.S. prepaid access (payroll card) offering is subject to the anti-money laundering and reporting provisions of the Bank Secrecy Act. Our employee screening and selection services business offers background checking services that are subject to the Fair Credit Reporting Act. Our PEO business (ADP TotalSource) is subject to various state licensing requirements. In addition, because ADP TotalSource is a co-employer with respect to its clients' worksite employees, we may assume certain obligations and responsibilities of an employer under federal and state tax, insurance and employment laws.

In addition, many of our businesses offer products and services that assist our clients in complying with certain laws and regulations to which they are subject; although the laws and regulations apply to our clients and not to ADP, changes in such laws or regulations may affect our operations, products and services. For example, our HCM solutions help clients manage their compliance with certain requirements of the Patient Protection and Affordable Care Act. Our COBRA administration services and flexible spending account services are designed to comply with relevant federal guidelines relating to, respectively, employers' benefits continuation obligations and the requirements of Section 125 of the Internal Revenue Code. Similarly, our Tax Credits Services business, which helps clients take advantage of tax credit opportunities as they hire new employees, is based on federal, state, or local tax laws and regulations allowing for tax credits.

The foregoing description does not include an exhaustive list of the laws and regulations governing and impacting our business. See the discussion contained in the "Risk Factors" section in Part I, Item 1A of this Annual Report on Form 10-K for information regarding changes in laws and regulations that may decrease our revenues and earnings.

CLIENTS AND CLIENT CONTRACTS

ADP provides its services to approximately 637,000 clients. In fiscal 2014 , no single client or group of affiliated clients accounted for revenues in excess of 2% of annual consolidated revenues.

ADP is continuously in the process of performing implementation services for new clients. Depending on the service agreement and/or the size of the client, the installation or conversion period for new clients could vary from a short period of time for a small Employer Services client (as little as 24 hours) to a longer period for a large Employer Services client or a Dealer Services client with multiple deliverables (generally six to twelve months), and in some cases may exceed two years for a large GlobalView client or other large, complicated implementation. Although we monitor sales that have not yet been billed or installed, we do not view this metric as material in light of the recurring nature of our business. This is not a reported number, but it is used by management as a planning tool relating to resources needed to install services, and a means of assessing our performance against the installation timing expectations of our clients.

Our business is typically characterized by long-term client relationships that result in recurring revenue. Our services are provided under written price quotations or service agreements having varying terms and conditions. No one price quotation or service agreement is material to ADP. ADP's client retention is estimated at approximately 12 years in Employer Services, approximately 7 years in PEO Services, and approximately 12 years in Dealer Services, and has not varied significantly from period to period.

SYSTEMS DEVELOPMENT AND PROGRAMMING

During the fiscal years ended June 30, 2014 , 2013 , and 2012 , ADP invested approximately $834 million, $757 million, and $699 million, respectively, from continuing operations, in systems development and programming, migration to new computing technologies and the development of new products and maintenance of our existing technologies, including purchases of new software and software licenses.

PRODUCT DEVELOPMENT

ADP continually upgrades, enhances, and expands its existing solutions and services. Generally, no new solution or service has a significant effect on ADP's revenues or negatively impacts its existing solutions and services, and ADP's solutions and services have significant remaining life cycles.

LICENSES

ADP is the licensee under a number of agreements for computer programs and databases. ADP's business is not dependent upon a single license or group of licenses. Third-party licenses, patents, trademarks, and franchises are not material to ADP's business as a whole.

NUMBER OF EMPLOYEES

ADP employed approximately 61,000 persons as of June 30, 2014 .

Item 1A. Risk Factors

Our businesses routinely encounter and address risks, some of which may cause our future results to be different than we currently anticipate. Risk factors described below represent our current view of some of the most important risks facing our businesses and are important to understanding our business. The following information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, Quantitative and Qualitative Disclosures About Market Risk and the consolidated financial statements and related notes included in this Annual Report on Form 10-K. This discussion includes a number of forward-looking statements. You should refer to the description of the qualifications and limitations on forward-looking statements in the first paragraph under Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Annual Report on Form 10-K. The level of importance of each of the following risks may vary from time to time, and any of these risks may have a material effect on our business.

Changes in laws and regulations may decrease our revenues and earnings

Our business is subject to a wide range of complex laws and regulations. Changes in laws or governmental regulations, or changes in the interpretation of existing laws or regulations by a regulatory authority, may decrease our revenues and earnings and may require us to change the manner in which we conduct some aspects of our business. For example, a change in regulations either decreasing the amount of taxes to be withheld or allowing less time to remit taxes to government authorities would adversely impact interest income from investing client funds before such funds are remitted to the applicable taxing authorities or client employees. Changes in taxation requirements in the United States or in other countries could adversely affect our effective tax rate and our net income. Changes in laws that govern the co-employment arrangement between a professional employer organization and its worksite employees may require us to change the manner in which we conduct some aspects of our PEO business. Health care reform under the Affordable Care Act, as amended, related state laws, and the regulations adopted or to be adopted thereunder, have the potential to impact substantially the way that employers provide health insurance to employees and the health insurance market for the small and midsized businesses that comprise ADP TotalSource's clients and prospects. We are unable to determine the ultimate impact that health care reform will have on our PEO business and our ability to attract and retain PEO clients. Amendments to money transmitter statutes have required us to receive licenses in some jurisdictions, and the adoption of new money transmitter statutes in other jurisdictions, as well as changes in the interpretation of existing statutes, in the future could require additional registration or licensing, as well as possible changes to the manner in which we conduct some aspects of our money movement business or our client funds investment strategy.

Our businesses host, collect, use and store personal information about our clients and employees of our clients, and a security or privacy breach may damage or disrupt our businesses, result in the disclosure of confidential information, damage our reputation, increase our costs and cause losses

A number of our businesses host, collect, use and store large amounts of personal information about our clients and employees of our clients, including payroll information, healthcare information, personal and business financial data, social security numbers, bank account numbers, tax information and other sensitive personal and business information. In addition, we collect and maintain personal information of our employees in the ordinary course of our business. We are focused on ensuring our operating environments safeguard and protect personal and business information, and although we believe that we maintain a robust program of information security and controls and none of the threats that we have encountered to date have materially impacted us, the impact of a breach could have a material adverse effect on our business, results of operations and financial condition.

We are also subject to various laws, rules and regulations relating to the collection, use and security of personal and business information. The future enactment of more restrictive laws, rules or regulations could have an adverse impact on us through increased costs or restrictions on our businesses. In addition, the possession and use of personal information and data in conducting our business subjects us to laws that may require notification to clients or employees of a privacy breach.

Globally, attacks on information technology systems continue to grow in frequency, complexity and sophistication. Although this is a global problem, it may affect our businesses more than other businesses because malevolent third parties may focus on the amount and type of personal and business information that our businesses host, collect, use and store. Any cyber attack, unauthorized intrusion, malicious software infiltration, network disruption, denial of service, corruption of data, or theft of non-public or other sensitive information, or similar act by a malevolent party could create financial liability, regulatory sanction, or a loss of confidence in our ability to serve clients or cause current or potential clients to choose another service provider. As these threats continue to evolve, we may be required to invest significant additional resources to modify and enhance our information security and controls or to investigate and remediate any security vulnerabilities. In addition, while our operating environment is designed to safeguard and protect personal and business information, we do not have the ability to monitor the implementation of similar safeguards by our clients, vendors or their respective employees, and, in any event, third parties may be able to circumvent those security measures.

Our systems may be subject to disruptions that could adversely affect our business and reputation

Many of our businesses are highly dependent on our ability to process, on a daily basis, a large number of complicated transactions. We rely heavily on our payroll, financial, accounting, and other data processing systems. If any of these systems fails to operate properly or becomes disabled even for a brief period of time, we could suffer financial loss, a disruption of our businesses, liability to clients, regulatory intervention, or damage to our reputation. We have disaster recovery, business continuity, and crisis management plans and procedures designed to protect our businesses against a multitude of events including natural disasters, military or terrorist actions, power or communication failures, or similar events. Despite our preparations, our plans may not be successful in preventing the loss of client data, service interruptions, disruptions to our operations, or damage to our important facilities.

If we fail to adapt our technology to meet client needs and preferences, the demand for our services may diminish

Our businesses operate in industries that are subject to rapid technological advances and changing client needs and preferences. In order to remain competitive and responsive to client demands, we continually upgrade, enhance, and expand our existing solutions and services. If we fail to respond successfully to technology challenges, the demand for our services may diminish.

Political and economic factors may adversely affect our business and financial results

Trade, monetary and fiscal policies, and political and economic conditions may substantially change, and credit markets may experience periods of constriction and volatility. When there is a slowdown in the economy, employment levels and interest rates may decrease with a corresponding impact on our businesses. Clients may react to worsening conditions by reducing their spending on payroll and other outsourcing services or renegotiating their contracts with us. In addition, a reduction in availability of financing during such conditions, even to borrowers with the highest credit ratings, may limit our access to short-term debt markets to meet liquidity needs required by our Employer Services business.

We invest our client funds in liquid, investment-grade marketable securities, money market securities, and other cash equivalents. Nevertheless, our client fund assets are subject to general market, interest rate, credit, and liquidity risks. These risks may be exacerbated, individually or in unison, during periods of unusual financial market volatility.

We are dependent upon various large banks to execute Automated Clearing House and wire transfers as part of our client payroll and tax services. While we have contingency plans in place for bank failures, a systemic shutdown of the banking industry would impede our ability to process funds on behalf of our payroll and tax services clients and could have an adverse impact on our financial results and liquidity.

We derive a significant portion of our revenues and operating income outside of the United States and, as a result, we are exposed to market risk from changes in foreign currency exchange rates that could impact our consolidated results of operations, financial position or cash flows.

Change in our credit ratings could adversely impact our operations and lower our profitability

The major credit rating agencies periodically evaluate our creditworthiness and have given us very strong long-term debt and the highest commercial paper ratings. Failure to maintain high credit ratings on long-term and short-term debt could increase our cost of borrowing, reduce our ability to obtain intra-day borrowing required by our Employer Services business, and ultimately reduce our client interest revenue.

Our proposed spin-off of our Dealer Services business is subject to inherent risks

The proposed spin-off of our Dealer Services business is subject to inherent risks and uncertainties including, among others: risks that the spin-off will not be consummated; increased demands on our management team to accomplish the spin-off; and significant transaction costs and risks from changes in the results of operations of our reportable segments.

We may be unable to attract and retain qualified personnel

Our ability to grow and provide our clients with competitive services is partially dependent on our ability to attract and retain highly motivated people with the skills to serve our clients. Competition for skilled employees in the outsourcing and other markets in which we operate is intense and, if we are unable to attract and retain highly skilled and motivated personnel, results of our operations may suffer.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

ADP owns 12 of its processing/print centers, and 24 other operational offices, sales offices, and its corporate headquarters in Roseland, New Jersey, which aggregate approximately 3,705,397 square feet. None of ADP's owned facilities is subject to any material encumbrances. ADP leases space for some of its processing centers, other operational offices, and sales offices. All of these leases, which aggregate approximately 6,062,311 square feet in North America, Europe, South America, Asia, Australia and Africa, expire at various times up to the year 2024. ADP believes its facilities are currently adequate for their intended purposes and are adequately maintained.

Item 3. Legal Proceedings

In the normal course of business, ADP is subject to various claims and litigation. While the outcome of any litigation is inherently unpredictable, ADP believes that it has valid defenses with respect to the legal matters pending against it and that the ultimate resolution of these matters will not have a material adverse impact on its financial condition, results of operations, or cash flows.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market for Registrant's Common Equity

The principal market for the Company's common stock is the NASDAQ Global Select Market under the symbol ADP. The following table sets forth the reported high and low sales prices of the Company's common stock reported on the NASDAQ Global Select Market and the cash dividends per share of common stock declared during each quarter for the two most recent fiscal years. As of June 30, 2014 , there were 45,497 holders of record of the Company's common stock. As of such date, 509,052 additional holders held their common stock in “street name.”

	Price Per Share		Dividends
	High	Low	Per Share
Fiscal 2014 quarter ended			
June 30	$80.37	$73.38	$0.480
March 31	$83.00	$71.91	$0.480
December 31	$83.82	$69.91	$0.480
September 30	$74.95	$68.75	$0.435
Fiscal 2013 quarter ended			
June 30	$72.00	$63.30	$0.435
March 31	$65.12	$57.75	$0.435
December 31	$59.96	$54.02	$0.435
September 30	$59.50	$54.85	$0.395

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of the Publicly Announced Common Stock Repurchase Plan (2)	Maximum Number of Shares that may yet be Purchased under the Common Stock Repurchase Plan (2) (3)
April 1, 2014 to April 30, 2014	180	$77.37	—	18,351,660
May 1, 2014 to May 31, 2014	1,402,889	$78.19	1,400,000	16,951,660
June 1, 2014 to June 30, 2014	1,462,568	$79.00	1,462,052	15,489,608
Total	2,865,637		2,862,052	

(1) Pursuant to the terms of the Company's restricted stock program, the Company purchased 3,585 shares at the then market value of the shares in connection with the exercise by employees of their option under such program to satisfy certain tax withholding requirements through the delivery of shares to the Company instead of cash.

(2) The Company received the Board of Directors' approval to repurchase shares of the Company's common stock as follows:

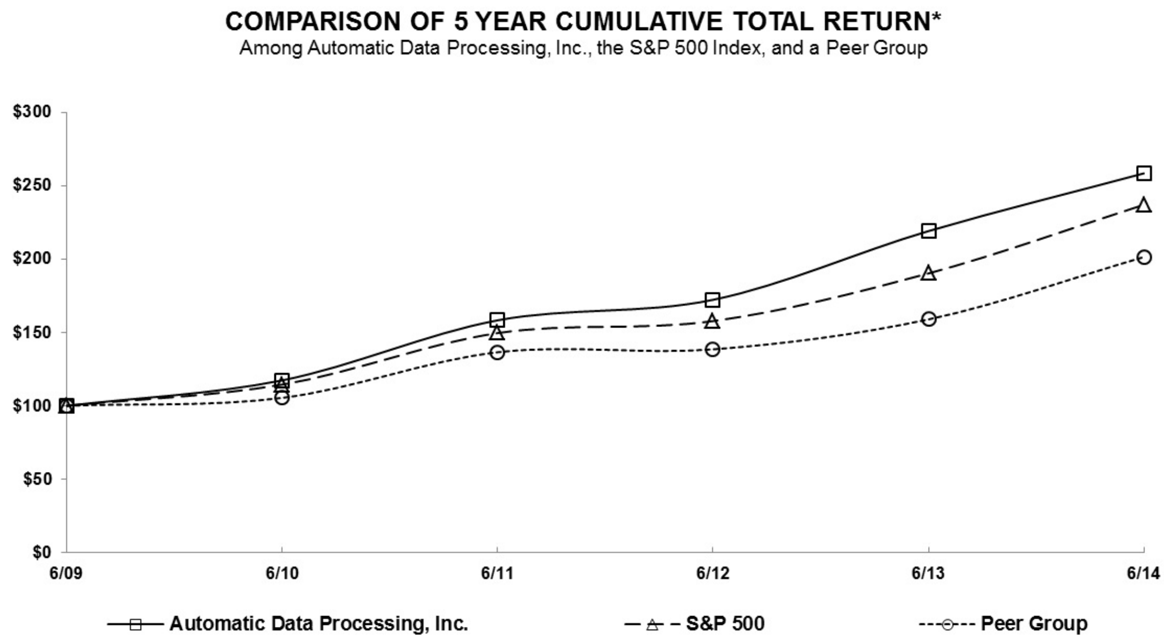
Date of Approval	Shares
March 2001	50 million
November 2002	35 million
November 2005	50 million
August 2006	50 million
August 2008	50 million
June 2011	35 million
August 2014	30 million

There is no expiration date for the common stock repurchase plan.

(3) In August 2014, the Company received the Board of Directors' approval to repurchase an additional 30 million shares of the Company common stock. This additional authorization is not reflected in the table as it occurred subsequent to June 30, 2014.

Performance Graph

The following graph compares the cumulative return on the Company's common stock for the most recent five years with the cumulative return on the S&P 500 Index and a Peer Group Index, assuming an initial investment of $100 on June 30, 2009, with all dividends reinvested.



* The Peer Group Index is comprised of the following companies:

Insperity, Inc.	Paychex, Inc.
Computer Sciences Corporation	The Ultimate Software Group, Inc.
Global Payments Inc.	Total System Services, Inc.
Intuit Inc.	The Western Union Company

Item 6. Selected Financial Data

The following selected financial data is derived from our consolidated financial statements and should be read in conjunction with the consolidated financial statements and related notes, Management's Discussion and Analysis of Financial Condition and Results of Operations, and Quantitative and Qualitative Disclosures About Market Risk included in this Annual Report on Form 10-K. Prior period amounts have been adjusted to exclude discontinued operations.

(Dollars and shares in millions, except per share amounts)

Years ended June 30,	2014	2013	2012	2011	2010
Total revenues	$ 12,206.5	$ 11,287.6	$ 10,595.4	$ 9,813.9	$ 8,863.8
Total costs of revenues	$ 7,221.4	$ 6,638.5	$ 6,203.9	$ 5,698.6	$ 4,991.0
Gross profit	$ 4,985.1	$ 4,649.1	$ 4,391.5	$ 4,115.3	$ 3,872.8
Earnings from continuing operations before income taxes	$ 2,274.6	$ 2,076.1	$ 2,101.7	$ 1,912.1	$ 1,850.2
Adjusted earnings from continuing operations before income taxes (Note 1)	$ 2,289.5	$ 2,118.8	$ 2,035.7	$ 1,912.1	$ 1,850.2
Net earnings from continuing operations	$ 1,502.6	$ 1,358.1	$ 1,375.2	$ 1,241.0	$ 1,198.6
Adjusted net earnings from continuing operations (Note 1)	$ 1,517.5	$ 1,400.8	$ 1,334.0	$ 1,241.0	$ 1,186.4
Basic earnings per share from continuing operations	$ 3.14	$ 2.81	$ 2.82	$ 2.51	$ 2.39
Diluted earnings per share from continuing operations	$ 3.11	$ 2.79	$ 2.79	$ 2.49	$ 2.38
Adjusted diluted earnings per share from continuing operations (Note 1)	$ 3.14	$ 2.88	$ 2.71	$ 2.49	$ 2.36
Basic weighted average shares outstanding	478.9	482.7	487.3	493.5	500.5
Diluted weighted average shares outstanding	483.1	487.1	492.2	498.3	503.7
Cash dividends declared per share	$ 1.88	$ 1.70	$ 1.55	$ 1.42	$ 1.35
Return on equity ("ROE") from continuing operations (Note 2)	23.4%	22.1%	22.7%	21.6%	22.2%
At year end:					
Cash, cash equivalents and marketable securities	$ 4,069.9	$ 2,041.1	$ 1,665.4	$ 1,523.7	$ 1,775.5
Total assets of continuing operations	$ 32,051.7	$ 32,251.4	$ 30,673.6	$ 34,088.4	$ 26,709.5
Obligations under reverse repurchase agreements	$ —	$ 245.9	$ —	$ —	$ —
Obligation under commercial paper borrowings	$ 2,173.0	$ —	$ —	$ —	$ —
Long-term debt	$ 11.5	$ 14.7	$ 16.8	$ 34.2	$ 39.8
Stockholders’ equity	$ 6,670.2	$ 6,189.9	$ 6,114.0	$ 6,010.4	$ 5,478.9

Note 1. Non-GAAP Financial Measures

The following table reconciles results within our Selected Financial Data to adjusted results that exclude incremental costs incurred during the fiscal year ended June 30, 2014 ("fiscal 2014") that are directly attributable to the planned separation of our Dealer Services business, a goodwill impairment charge related to our ADP AdvancedMD business for the fiscal year ended June 30, 2013 ("fiscal 2013"), a gain on the sale of assets related to rights and obligations to resell a third-party expense management platform for the fiscal year ended June 30, 2012 ("fiscal 2012"), and certain favorable tax items for the fiscal year ended June 30, 2010. We use certain adjusted results, among other measures, to evaluate our operating performance in the absence of certain items and for planning and forecasting of future periods. We believe that the adjusted results provide relevant and useful information for investors because it allows investors to view performance in a manner similar to the method used by us and improves our ability to understand our operating performance. Since adjusted earnings from continuing operations before income taxes, adjusted net earnings from continuing operations, and adjusted diluted earnings per share (“EPS”) from continuing operations are not measures of performance calculated in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), they should not be considered in isolation from, or as a substitute for, earnings from continuing operations before income taxes, net earnings from continuing operations, and diluted EPS from continuing operations, and they may not be comparable to similarly titled measures employed by other companies.

(Dollars in millions, except per share amounts)

Years ended June 30,	2014	2013	2012	2011	2010
Earnings from continuing operations before income taxes	$ 2,274.6	$ 2,076.1	$ 2,101.7	$ 1,912.1	$ 1,850.2
Adjustments:					
Separation costs	14.9	—	—	—	—
Goodwill impairment	—	42.7	—	—	—
Gain on sale of assets	—	—	(66.0)	—	—
Adjusted earnings from continuing operations before income taxes	$ 2,289.5	$ 2,118.8	$ 2,035.7	$ 1,912.1	$ 1,850.2
Net earnings from continuing operations	$ 1,502.6	$ 1,358.1	$ 1,375.2	$ 1,241.0	$ 1,198.6
Adjustments:					
Separation costs	14.9	—	—	—	—
Goodwill impairment	—	42.7	—	—	—
Gain on sale of assets	—	—	(41.2)	—	—
Favorable tax items	—	—	—	—	(12.2)
Adjusted net earnings from continuing operations	$ 1,517.5	$ 1,400.8	$ 1,334.0	$ 1,241.0	$ 1,186.4
Diluted earnings per share from continuing operations	$ 3.11	$ 2.79	$ 2.79	$ 2.49	$ 2.38
Adjustments:					
Separation costs	0.03	—	—	—	—
Goodwill impairment	—	0.09	—	—	—
Gain on sale of assets	—	—	(0.08)	—	—
Favorable tax items	—	—	—	—	(0.02)
Adjusted diluted earnings per share from continuing operations	$ 3.14	$ 2.88	$ 2.71	$ 2.49	$ 2.36

Note 2 . Return on equity from continuing operations has been calculated as net earnings from continuing operations divided by average total stockholders' equity. Our ROE for fiscal 2014 includes incremental costs incurred that are directly attributable to the planned separation of our Dealer Services business which decreased ROE by 0.2%. Our ROE for fiscal 2013 includes the impact of a goodwill impairment charge which decreased ROE by 0.6%. Our ROE for fiscal 2012 includes the impact from the sale of assets related to rights and obligations to resell a third-party expense management platform which increased ROE by 0.6%. Our ROE for fiscal 2010 includes the impact from favorable tax items which increased ROE by 0.2%.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

This report and other written or oral statements made from time to time by Automatic Data Processing, Inc. (“ADP”) may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature, and which may be identified by the use of words like “expects,” “assumes,” “projects,” “anticipates,” “estimates,” “we believe,” “could” and other words of similar meaning, are forward-looking statements. These statements are based on management's expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include: ADP's success in obtaining, retaining and selling additional services to clients; the pricing of services and products; changes in laws regulating payroll taxes, professional employer organizations and employee benefits; overall market and economic conditions, including interest rate and foreign currency trends; competitive conditions; auto sales and related industry changes; employment and wage levels; changes in technology; availability of skilled technical associates; and the impact of new acquisitions and divestitures. In addition, the proposed spin-off of the Dealer Services business is subject to inherent risks and uncertainties, including: risks that the spin-off will not be consummated; increased demands on our management team to accomplish the spin-off; significant transaction costs and risks from changes in results of operations of our reportable segments. ADP disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. These risks and uncertainties, along with the risk factors discussed under "Item 1A. Risk Factors," should be considered in evaluating any forward-looking statements contained herein.

EXECUTIVE OVERVIEW

On April 10, 2014, we announced that our Board of Directors approved a plan to separate our Dealer Services business into an independent publicly traded company through a tax-free spin-off of 100% of Dealer Services to ADP shareholders. We expect to receive at least $700 million in connection with the spin-off, which we plan to return to our shareholders after the spin-off through share repurchases, depending upon market conditions. Following the spin-off, we intend to increase the dividend annually, subject to Board of Director approval, keeping intact our 39-year track record of consecutive dividend increases. However, we expect to grow the dividend at a slower rate than earnings to allow us to return to our pre-separation target dividend payout ratio of 55% to 60% in about two years. We believe that the separation of the Dealer Services business will allow both companies to focus on their respective businesses, industries, and strategic opportunities and we will further direct our attention and resources to our mission and three strategic pillars discussed below. We expect to complete the separation by October 2014.

ADP's mission is to help organizations unlock their business potential with our insightful solutions. We seek to embrace new technology and innovation to deliver market leading products and services that meet the needs of our clients across all of our markets. Our commitment to service excellence lies at the core of our relationship with each of our clients, whether a small, midsized or large organization in one or multiple countries. Our business strategy is based on strategic pillars, which are predicated on our ability to drive innovation and service excellence, and attract, build, and retain the right talent to position ADP as the global market leader in human capital management (HCM) services. Our strategic pillars are to:

- grow our integrated suite of cloud-based HCM, benefits, and payroll solutions to serve the U.S. market;
- invest to grow and scale our HR Business Process Outsourcing solutions by leveraging our platforms and processes; and
- leverage our global presence to offer clients HCM, benefits, and payroll solutions where they do business.

Our results during fiscal 2014 continue to reflect the strength of our underlying business model, including the diversity of our client base and products. Our focus on product innovation and improvements in salesforce productivity led to growth in new business bookings. We are pleased with the performance of our business segments, which have continued to drive good revenue growth and pretax margin expansion. Revenue retention improved across our business segments and we continue to benefit from the strength of our pays per control metric, which represents the number of employees on our clients' payrolls as measured on a same-store-sales basis utilizing a representative subset of payrolls ranging from small to large businesses that are reflective of a broad range of U.S. geographic regions. During fiscal 2014, we were impacted by the decline in high-margin client interest revenues as a result of lower interest rates, partially offset by an increase in our average client funds balance. We expect this high-margin client interest revenue to increase in the fiscal year ending June 30, 2015, but at a slower rate than our underlying processing revenue.

Consolidated revenues in fiscal 2014 increased 8% , to $12,206.5 million , as compared to fiscal 2013 . Earnings from continuing operations before income taxes increased 10% , to $2,274.6 million , as compared to fiscal 2013 and net earnings from continuing operations increased 11% , to $1,502.6 million , as compared to fiscal 2013 . Our diluted earnings per share from continuing operations increased 11% to $3.11 in fiscal 2014 , as compared to $2.79 in fiscal 2013 .

Our fiscal 2014 results include $14.9 million of incremental costs directly attributable to our planned separation of our Dealer Service business and our fiscal 2013 results include a $42.7 million non tax-deductible goodwill impairment charge related to our ADP AdvancedMD business. Excluding these items, our earnings from continuing operations before income taxes increase d 8% , to $2,289.5 million , as compared to $2,118.8 million for fiscal 2013 , and net earnings from continuing operations increase d 8% , to $1,517.5 million , compared to $1,400.8 million for fiscal 2013 . Our adjusted diluted earnings per share from continuing operations increase d 9% , to $3.14 for fiscal 2014 from $2.88 , as adjusted, for fiscal 2013 , due to increased adjusted net earnings from continuing operations and fewer shares outstanding.

Our business segment results were solid with Employer Services' revenues increasing 8% to $8,535.2 million and earnings from continuing operations before income taxes increasing 14% to $2,517.8 million , PEO Services' revenues increasing 15% to $2,270.9 million and earnings from continuing operations before income taxes increasing 17% to $234.3 million , and Dealer Services' revenues increasing 7% to $1,951.4 million and earnings from continuing operations before income taxes increasing 14% to $428.1 million in fiscal 2014 . Employer Services' and PEO Services' new business bookings, which represent annualized recurring revenues anticipated from sales orders to new and existing clients, grew 7% worldwide, to over $1.4 billion in fiscal 2014 . Dealer Services' new business bookings showed strength as we continued to experience the effects of a stronger automotive industry and increased penetration of applications within our base. Our key business metrics continue to reflect the core strength of our business model, with our Employer Services' worldwide client revenue retention rate increasing to an all-time high of 91.4% and our pays per control metric increased 2.8% for the twelve months ended June 30, 2014 from the twelve months ended June 30, 2013.

Interest on funds held for clients decreased approximately 11% , or $47.2 million , to $373.7 million from $420.9 million in fiscal 2013 . The decrease in the consolidated interest on funds held for clients resulted from the decrease in the average interest rate earned to 1.8% in fiscal 2014 , as compared to 2.2% in fiscal 2013 , partially offset by growth in average client funds balance of 8% resulting from the continued strength and growth of our Employer Services segment.

We invest our funds held for clients in accordance with ADP's prudent and conservative investment guidelines, where the safety of principal, liquidity, and diversification are the foremost objectives of our investment strategy. The portfolio is predominantly invested in AAA/AA rated fixed-income securities. Our client funds investment strategy is structured to allow us to average our way through an interest rate cycle by laddering the maturities of our investments out to five years (in the case of the extended portfolio) and out to ten years (in the case of the long portfolio). This investment strategy is supported by our short-term financing arrangements necessary to satisfy short-term funding requirements relating to client funds obligations.

Our financial condition and balance sheet remain solid at June 30, 2014 , with cash and cash equivalents and marketable securities of $4.1 billion , of which $2.2 billion related to outstanding commercial paper borrowings. These borrowings were a normal part of our client funds extended investment strategy. Our net cash flows provided by operating activities were $1,821.4 million in fiscal 2014 , as compared to $1,577.2 million in fiscal 2013 . This increase in cash flows provided by operating activities from fiscal 2013 to fiscal 2014 was due to higher net earnings in fiscal 2014 , favorable changes in timing differences on the net components of working capital, and lower pension contributions. The increase in cash provided by investing activities of $2,391.7 million is due to the timing of receipts and disbursements of restricted cash and cash equivalents held to satisfy client funds obligations, partially offset by the timing of purchases and sales of corporate and client fund marketable securities. The increase in cash used in financing activities of $2,509.2 million is primarily due to the timing of cash received from items such as proceeds from reverse repurchase agreements, proceeds from the issuance of commercial paper, and payments made related to client funds as compared to the prior year.

We have a strong business model with a high percentage of recurring revenues, excellent margins, the ability to generate consistent, healthy cash flows, strong client retention, and low capital expenditure requirements. We continue to enhance value to our shareholders, and in fiscal 2014 returned excess cash of $883.1 million through dividends and $667.3 million through our share buyback program. In the last five fiscal years, we have reduced the Company's common stock outstanding by approximately 4% through share buybacks, net of the effect of common stock issued under employee stock-based compensation programs. We have also raised the dividend payout per share for 39 consecutive years.

RESULTS OF OPERATIONS
ANALYSIS OF CONSOLIDATED OPERATIONS

Prior period amounts have been adjusted to exclude discontinued operations.

(Dollars in millions, except per share amounts)

	Years ended June 30,			$ Change		% Change	
	2014	2013	2012	2014	2013	2014	2013
Total revenues	$ 12,206.5	$ 11,287.6	$ 10,595.4	$ 918.9	$ 692.2	8 %	7 %
Costs of revenues:							
Operating expenses	6,248.6	5,731.5	5,355.2	517.1	376.3	9 %	7 %
Systems development and programming costs	718.0	654.3	592.7	63.7	61.6	10 %	10 %
Depreciation and amortization	254.8	252.7	256.0	2.1	(3.3)	1 %	(1)%
Total costs of revenues	7,221.4	6,638.5	6,203.9	582.9	434.6	9 %	7 %
Selling, general and administrative costs	2,762.4	2,617.4	2,452.9	145.0	164.5	6 %	7 %
Separation costs	14.9	—	—	14.9	—	100 %	— %
Goodwill impairment	—	42.7	—	(42.7)	42.7	(100)%	100 %
Interest expense	6.1	9.1	7.7	(3.0)	1.4	(33)%	18 %
Total expenses	10,004.8	9,307.7	8,664.5	697.1	643.2	7 %	7 %
Other income, net	(72.9)	(96.2)	(170.8)	(23.3)	(74.6)	(24)%	44 %
Earnings from continuing operations before income taxes	$ 2,274.6	$ 2,076.1	$ 2,101.7	$ 198.5	$ (25.6)	10 %	(1)%
Margin	18.6%	18.4%	19.8%				
Provision for income taxes	$ 772.0	$ 718.0	$ 726.5	$ 54.0	$ (8.5)	8 %	(1)%
Effective tax rate	33.9%	34.6%	34.6%				
Net earnings from continuing operations	$ 1,502.6	$ 1,358.1	$ 1,375.2	$ 144.5	$ (17.1)	11 %	(1)%
Diluted earnings per share from continuing operations	$ 3.11	$ 2.79	$ 2.79	$ 0.32	$ —	11 %	— %

Note 1. Non-GAAP measures

The following table reconciles our results to adjusted results that exclude incremental costs incurred in fiscal 2014 directly attributable to our planned separation of our Dealer Services business, the fiscal 2013 non tax-deductible goodwill impairment charge, and the fiscal 2012 sale of assets related to rights and obligations to resell a third-party expense management platform.

	Years ended June 30,			$ Change		% Change	
(Dollars in millions, except per share amounts)	2014	2013	2012	2014	2013	2014	2013
Earnings from continuing operations before income taxes	$ 2,274.6	$ 2,076.1	$ 2,101.7	$ 198.5	$ (25.6)	10%	(1)%
Adjustments:							
Separation costs	14.9	—	—				
Goodwill impairment	—	42.7	—				
Gain on sale of assets	—	—	(66.0)				
Adjusted earnings from continuing operations before income taxes	$ 2,289.5	$ 2,118.8	$ 2,035.7	$ 170.7	$ 83.1	8%	4 %
Provision for income taxes from continuing operations	$ 772.0	$ 718.0	$ 726.5	$ 54.0	$ (8.5)	8%	(1)%
Effective tax rate	*33.9 %*	*34.6 %*	*34.6 %*				
Adjustments:							
Separation costs	—	—	—				
Goodwill impairment	—	—	—				
Gain on sale of assets	—	—	(24.8)				
Adjusted provision for income taxes from continuing operations	$ 772.0	$ 718.0	$ 701.7	$ 54.0	$ 16.3	8%	2 %
Adjusted effective tax rate	*33.7 %*	*33.9 %*	*34.5 %*				
Net earnings from continuing operations	$ 1,502.6	$ 1,358.1	$ 1,375.2	$ 144.5	$ (17.1)	11%	(1)%
Adjustments:							
Separation costs	14.9	—	—				
Goodwill impairment	—	42.7	—				
Gain on sale of assets	—	—	(41.2)				
Adjusted net earnings from continuing operations	$ 1,517.5	$ 1,400.8	$ 1,334.0	$ 116.7	$ 66.8	8%	5 %
Diluted earnings per share from continuing operations	$ 3.11	$ 2.79	$ 2.79	$ 0.32	$ —	11%	— %
Adjustments:							
Separation costs	0.03	—	—				
Goodwill impairment	—	0.09	—				
Gain on sale of assets	—	—	(0.08)				
Adjusted diluted earnings per share from continuing operations	$ 3.14	$ 2.88	$ 2.71	$ 0.26	$ 0.17	9%	6 %

Fiscal 2014 Compared to Fiscal 2013

Total Revenues

Total revenues increased $918.9 million , or 8% , to $12,206.5 million in fiscal 2014 , as compared to fiscal 2013 , due to an increase in revenues in Employer Services of 8% , or $610.3 million , to $8,535.2 million , an increase in revenues in PEO Services of 15% , or $297.7 million , to $2,270.9 million , and an increase in revenues in Dealer Services of 7% , or $131.2 million , to $1,951.4 million .

Total revenues in fiscal 2014 include interest on funds held for clients of $373.7 million , as compared to $420.9 million in fiscal 2013 . The decrease in the consolidated interest earned on funds held for clients resulted from the decrease in the average interest rate earned to 1.8% in fiscal 2014 , as compared to 2.2% in fiscal 2013 , partially offset by an increase in our average client funds balance of 8% , to $20.7 billion , in fiscal 2014 .

Total Expenses

Our total expenses increased $697.1 million , or 7% , to $10,004.8 million in fiscal 2014 , as compared to fiscal 2013 . The increase in our total expenses was due to an increase in operating expenses of $517.1 million , an increase in selling, general and administrative expenses of $145.0 million , an increase in systems development and programming costs of $ 63.7 million and separation costs related to the planned separation of our Dealer Services business of $14.9 million in fiscal 2014, partially offset by the goodwill impairment charge of $42.7 million in fiscal 2013. Total expenses would have increased approximately 8% without the impact of the 2014 separation costs related to the Dealer Services separation and the fiscal 2013 goodwill impairment charge.

Our total costs of revenues increased $582.9 million , or 9% , to $7,221.4 million in fiscal 2014 , as compared to fiscal 2013 , primarily due to an increase in operating expenses of $517.1 million and an increase in systems development and programming costs of $63.7 million .

Operating expenses increased $517.1 million , or 9% in fiscal 2014 , as compared to fiscal 2013 , due to the increase in revenues described above, including the increase s in PEO Services, which has pass-through costs that are re-billable and which include costs for benefits coverage, workers' compensation coverage and state unemployment taxes for worksite employees. These pass-through costs were $1,736.0 million for fiscal 2014 , which included costs for benefits coverage of $1,383.3 million and costs for workers' compensation and payment of state unemployment taxes of $352.7 million . These pass-through costs were $1,513.5 million for fiscal 2013 , which included costs for benefits coverage of $1,193.2 million and costs for workers' compensation and payment of state unemployment taxes of $320.3 million . The increase in operating expenses is also due to higher labor-related expenses in Employer Services of $65.9 million .

Systems development and programming costs increased $63.7 million , or 10% , in fiscal 2014 , as compared to fiscal 2013 , due to increased costs to develop, support, and maintain our products, partially offset by a higher proportion of capitalized costs of our strategic projects.

Selling, general and administrative expenses increased $145.0 million , or 6% , in fiscal 2014 , as compared to fiscal 2013 . The increase in expenses was related to an increase in selling expenses of $81.8 million resulting from investments in our salesforce and an increase in stock-based compensation expense of $29.7 million, and $17.9 million higher severance expenses in fiscal 2014 , as compared to fiscal 2013 .

Separation costs represent the incremental costs associated with our planned separation of Dealer Services and totaled $14.9 million for fiscal 2014 . We expect to incur separation costs of between $40 million and $50 million during the fiscal year ending June 30, 2015 ("fiscal 2015").

Other Income, net

Years ended June 30, (Dollars in millions)	2014	2013	$ Change
Interest income on corporate funds	$ (56.2)	$ (64.5)	$ (8.3)
Realized gains on available-for-sale securities	(20.4)	(32.1)	(11.7)
Realized losses on available-for-sale securities	3.9	3.5	(0.4)
Gains on sales of buildings	—	(2.2)	(2.2)
Other, net	(0.2)	(0.9)	(0.7)
Other income, net	$ (72.9)	$ (96.2)	$ (23.3)

Other income, net, decrease d $23.3 million in fiscal 2014 , as compared to fiscal 2013 . The decrease was due to a decrease in realized gains on available-for-sale securities of $11.7 million and a decrease in interest income on corporate funds of $8.3 million in the fiscal 2014 , as compared to the fiscal 2013 . The decrease in interest income on corporate funds resulted from lower average interest rates of 1.5% in fiscal 2013 to 1.4% in fiscal 2014 and lower average daily corporate funds, which decreased from $4.2 billion in fiscal 2013 to $4.1 billion in fiscal 2014 . In addition, we recognized gains of $2.2 million pertaining to the sale of two buildings during fiscal 2013 .

Earnings from Continuing Operations before Income Taxes

Earnings from continuing operations before income taxes increased $198.5 million , or 10% , to $2,274.6 million in fiscal 2014 , which includes the effect of the $14.9 million of separation costs directly attributable to the proposed separation of our Dealer Services business, compared to $2,076.1 million in fiscal 2013 , which includes the effect of the $42.7 million goodwill impairment charge. Overall margin increased approximately 20 basis points from 18.4% in fiscal 2013 to 18.6% in fiscal 2014 . This increase was due to margin improvements in our business segments, partially offset by approximately 70 basis points of margin decline related to the continued decline in interest on funds held for clients discussed above and 30 basis points of margin decline due to increased stock-based compensation costs. Overall margin also benefited 20 basis points from the lower costs related to the incremental separation costs of $14.9 million included in fiscal 2014 compared to the $42.7 million charge related to the goodwill impairment in fiscal 2013 .

Adjusted Earnings from Continuing Operations before Income Taxes

Adjusted earnings from continuing operations before income taxes increase d $170.7 million , or 8% , to $2,289.5 million , in fiscal 2014 , compared to $2,118.8 million for fiscal 2013 , due to increased revenue and margin improvement in our business segments, partially offset by the continued decline in interest on funds held for clients. Margin, adjusted for the fiscal 2014 separation costs directly attributable to the proposed separation of our Dealer Services business and the fiscal 2013 goodwill impairment charge related to our ADP AdvancedMD business, remained flat at 18.8% . Margin improvements in our business segments were offset, primarily by approximately 70 basis points of margin decrease related to the continued decline in interest on fund held for clients discussed above and 30 basis of margin decline due to increased stock-based compensation costs.

Provision for Income Taxes

The effective tax rate in fiscal 2014 and 2013 was 33.9% and 34.6% , respectively. The effective tax rate in fiscal 2014 includes a 0.2 percentage point increase due to the non tax-deductible separation costs related to our planned separation of our Dealer Services business and the effective tax rate for fiscal 2013 includes a 0.7 percentage point increase due to the fiscal 2013 non tax-deductible goodwill impairment charge. The remaining decrease of 0 basis points is due to the resolution of certain tax matters and the reversal of a valuation allowance, partially offset by an increase in foreign taxes and reduced foreign tax credits available.

Net Earnings from Continuing Operations and Diluted Earnings per Share from Continuing Operations

Net earnings from continuing operations increased $144.5 million , or 11% , to $1,502.6 million in fiscal 2014 , compared to $1,358.1 million in fiscal 2013 , which includes the effect of the $42.7 million goodwill impairment charge. Diluted earnings per share from continuing operations increased 11% to $3.11 in fiscal 2014 , as compared to $2.79 in fiscal 2013 .

In fiscal 2014 , our diluted earnings per share from continuing operations reflects the increase in net earnings from continuing operations and the impact of fewer shares outstanding resulting from the net impact of cumulative share repurchases, offset by the issuances of shares under our stock-based compensation programs.

Adjusted Net Earnings from Continuing Operations and Adjusted Diluted Earnings per Share from Continuing Operations

Adjusted net earnings from continuing operations increase d $116.7 million , or 8% , to $1,517.5 million , in fiscal 2014 , as compared to $1,400.8 million for fiscal 2013 , and the adjusted diluted earnings per share from continuing operations increase d 9% , to $3.14 for fiscal 2014 , compared to $2.88 , for fiscal 2013 . The increase in adjusted diluted earnings per share from continuing operations for fiscal 2014 reflects the increase in adjusted net earnings from continuing operations and the impact of fewer shares outstanding resulting from the net impact of cumulative share repurchases, offset by the issuances of shares under our stock-based compensation programs.

Fiscal 2013 Compared to Fiscal 2012

Total Revenues

Our total revenues increased $692.2 million , or 7% , to $11,287.6 million in fiscal 2013 , as compared to fiscal 2012 , due to an increase in revenues in Employer Services of 6% , or $475.5 million , to $7,924.9 million , PEO Services of 11% , or $201.8 million , to $1,973.2 million , and Dealer Services of 9% , or $144.0 million , to $1,820.2 million . Total revenues would have increased approximately 6% without the impact of recently completed acquisitions and the impact to revenues pertaining to the sale in fiscal 2012 of assets related to rights and obligations to resell a third-party expense management platform. In addition, revenues decreased $61.3 million due to changes in foreign currency exchange rates.

Total revenues for fiscal 2013 include interest on funds held for clients of $420.9 million , as compared to $493.3 million in fiscal 2012 . The decrease in the consolidated interest earned on funds held for clients resulted from the decrease in the average interest rate earned to 2.2% during fiscal 2013 , as compared to 2.8% for fiscal 2012 , partially offset by an increase in our average client funds balance of 7% , to $19.2 billion in fiscal 2013 .

Total Expenses

Our total expenses increased $643.2 million , or 7% , to $9,307.7 million in fiscal 2013 , as compared to fiscal 2012 . The increase in our total expenses was due to an increase in operating expenses of $376.3 million , an increase in selling, general and administrative expenses of $164.5 million , and an increase in systems development and programming costs of $61.6 million . Total expenses would have increased approximately 6% without the impact of recently completed acquisitions.

Our total costs of revenues increased 7% , to $6,638.5 million in fiscal 2013 , as compared to fiscal 2012 due to an increase in operating expenses of $376.3 million and an increase in systems development and programming costs of $61.6 million .

Operating expenses increased $376.3 million , or 7% , in fiscal 2013 , as compared to fiscal 2012 due to the increase in revenues described above, including the increases in PEO Services, which has pass-through costs that are re-billable and which includes costs for benefits coverage, workers' compensation coverage and state unemployment taxes for worksite employees. These pass-through costs were $1,513.5 million for fiscal 2013 , which included costs for benefits coverage of $1,193.2 million and costs for workers' compensation and payment of state unemployment taxes of $320.3 million . These pass-through costs were $1,363.6 million for fiscal 2012, which included costs for benefits coverage of $1,060.3 million and costs for workers' compensation and payment of state unemployment taxes of $303.3 million. The increase in operating expenses is also due to expenses related to businesses acquired of $84.4 million and higher labor-related expenses in Employer Services of $69.4 million, partially offset by a decrease of $34.0 million due to changes in foreign currency exchange rates.

Systems development and programming costs increased $61.6 million , or 10% , in fiscal 2013 , as compared to fiscal 2012 , due to increased costs to develop, support, and maintain our products and increased costs related to businesses acquired of $6.6 million, partially offset by a decrease of $6.7 million due to changes in foreign currency exchange rates.

Selling, general and administrative expenses increased $164.5 million , or 7% , in fiscal 2013 , as compared to fiscal 2012 . The increase in expenses was related to an increase in selling expenses of $72.9 million resulting from investments in our salesforce and an increase in expenses of businesses acquired of $16.3 million, partially offset by a decrease of $24.6 million due to changes in foreign currency exchange rates. Additionally, selling, general, and administrative expenses decreased $24.1 million due to lower severance expenses in fiscal 2013 , as compared to fiscal 2012 .

Other Income, net

Years ended June 30, (Dollars in millions)	2013	2012	$ Change
Interest income on corporate funds	$ (64.5)	$ (85.2)	$ (20.7)
Realized gains on available-for-sale securities	(32.1)	(32.1)	—
Realized losses on available-for-sale securities	3.5	7.7	4.2
Impairment losses on available-for-sale securities	—	5.8	5.8
Impairment losses on assets held for sale	—	2.2	2.2
Gains on sales of buildings	(2.2)	—	2.2
Gain on sale of assets	—	(66.0)	(66.0)
Other, net	(0.9)	(3.2)	(2.3)
Other income, net	$ (96.2)	$ (170.8)	$ (74.6)

Other income, net, decrease d $74.6 million in fiscal 2013 , as compared to fiscal 2012 . The decrease was due to a $66.0 million gain on the sale of assets related to rights and obligations to resell a third-party expense management platform in fiscal 2012 and a decrease in interest income on corporate funds of $20.7 million in fiscal 2013, as compared to fiscal 2012. The decrease in interest income on corporate funds resulted from lower average interest rates from 2.1% in fiscal 2012 to 1.5% in fiscal 2013, partially offset by increasing average daily corporate funds, which increased from $4.0 billion in fiscal 2012 to $4.2 billion in fiscal 2013. Such decreases were partially offset by gains of $2.2 million pertaining to the sale of two buildings in fiscal 2013, a $5.8 million impairment loss on available-for-sale securities in fiscal 2012, and an impairment loss of $2.2 million related to assets previously classified as assets held for sale in fiscal 2012.

Earnings from Continuing Operations before Income Taxes

Earnings from continuing operations before income taxes decrease d $25.6 million , or 1% , to $2,076.1 million in fiscal 2013 , which includes the effect of the $42.7 million goodwill impairment charge, compared to $2,101.7 million in fiscal 2012 , which includes the effect of a $66.0 million gain on the sale of assets related to the rights and obligations to resell a third-party expense management platform. Overall margin decrease d approximately 140 basis points from 19.8% in fiscal 2012 to 18.4% in fiscal 2013 with approximately 40 basis points of margin decrease attributable to the goodwill impairment charge, 20 basis points of margin decrease attributable to acquisitions completed in fiscal 2012, and 90 basis points related to the continued decline in interest on funds held for clients discussed above. In addition, overall margin decreased approximately 60 basis points due to the fiscal 2012 gain on the sale of assets related to the rights and obligations to resell a third-party management platform. These decreases were partially offset by margin improvements in our business segments.

Adjusted Earnings from Continuing Operations before Income Taxes

Adjusted earnings from continuing operations before income taxes increase d $83.1 million , or 4% , to $2,118.8 million in fiscal 2013 , as compared to $2,035.7 million for fiscal 2012 due to increased revenue and margin improvement in our business segments, partially offset by the continued decline in interest on funds held for clients. Margin, adjusted for the 2013 goodwill impairment charge related to our ADP AdvancedMD business and a gain on the sale of assets related to rights and obligations to resell a third-party expense management platform in fiscal 2012 , decreased approximately 40 basis points from 19.2% in fiscal 2012 to 18.8% in fiscal 2013 due to approximately 90 basis points of margin decline related to the continued decline in interest on funds held for clients discussed above, partially offset by margin improvements in our business segments.

Provision for Income Taxes

The effective tax rates in both fiscal 2013 and 2012 were 34.6% . Our effective tax rate for fiscal 2013 includes the effect of a non tax-deductible goodwill impairment charge of $42.7 million that increased our effective tax rate by 0.7 percentage points in the period. The 0.7 percentage point increase was offset by a reduction in foreign taxes and the availability of higher foreign tax credits in fiscal 2013 , as compared to 2012 .

Net Earnings from Continuing Operations and Diluted Earnings per Share from Continuing Operations

Net earnings from continuing operations decrease d $17.1 million , or 1% , to $1,358.1 million in fiscal 2013 , which includes the effect of the $42.7 million goodwill impairment charge, compared to $1,375.2 million in fiscal 2012 , which included the effect of an after tax gain on the sale of assets of $41.2 million. Diluted earnings per share from continuing operations was flat in fiscal 2013 , as compared to $2.79 in fiscal 2012 .

In fiscal 2013 , our diluted earnings per share from continuing operations reflects the decrease in net earnings from continuing operations and the impact of fewer shares outstanding resulting from the net impact of cumulative share repurchases, offset by the issuances of shares under our stock-based compensation programs.

Adjusted Net Earnings from Continuing Operations and Adjusted Diluted Earnings per Share from Continuing Operations

Adjusted net earnings from continuing operations increase d $66.8 million , or 5% , to $1,400.8 million , in fiscal 2013 , as compared to $1,334.0 million for fiscal 2012 , and the adjusted diluted earnings per share from continuing operations increase d 6% , to $2.88 for fiscal 2013 , compared to $2.71 for fiscal 2012 . The increase in adjusted diluted earnings per share from continuing operations for fiscal 2013 reflects the increase in adjusted net earnings from continuing operations and the impact of fewer shares outstanding resulting from the net impact of cumulative share repurchases, offset by the issuances of shares under our stock-based compensation programs.

ANALYSIS OF REPORTABLE SEGMENTS

Revenues from Continuing Operations

(Dollars in millions)

	Years ended June 30,			$ Change		% Change	
	2014	2013	2012	2014	2013	2014	2013
Employer Services	$ 8,535.2	$ 7,924.9	$ 7,449.4	$ 610.3	$ 475.5	8%	6%
PEO Services	2,270.9	1,973.2	1,771.4	297.7	201.8	15%	11%
Dealer Services	1,951.4	1,820.2	1,676.2	131.2	144.0	7%	9%
Other	(0.9)	1.7	5.5				
Reconciling items:							
Client fund interest	(550.1)	(432.4)	(307.1)				
	$ 12,206.5	$ 11,287.6	$ 10,595.4	$ 918.9	$ 692.2	8%	7%

Earnings from Continuing Operations before Income Taxes

(Dollars in millions)

	Years ended June 30,			$ Change		% Change	
	2014	2013	2012	2014	2013	2014	2013
Employer Services	$ 2,517.8	$ 2,216.8	$ 2,054.6	$ 301.0	$ 162.2	14%	8 %
PEO Services	234.3	199.7	171.1	34.6	28.6	17%	17 %
Dealer Services	428.1	375.3	322.1	52.8	53.2	14%	17 %
Other	(355.5)	(283.3)	(139.0)				
Reconciling items:							
Client fund interest	(550.1)	(432.4)	(307.1)				
	$ 2,274.6	$ 2,076.1	$ 2,101.7	$ 198.5	$ (25.6)	10%	(1)%

Certain revenues and expenses are charged to the reportable segments at a standard rate for management reasons. Other costs are charged to the reportable segments based on management's responsibility for the applicable costs. The primary components of the "Other" segment are the results of operations of ADP Indemnity (a wholly-owned captive insurance company that provides workers' compensation and employer's liability deductible reimbursement insurance protection for PEO Services worksite employees), non-recurring gains and losses, miscellaneous processing services, such as customer financing transactions, and certain charges and expenses that have not been allocated to the reportable segments, such as stock-based compensation expense and the fiscal 2013 goodwill impairment charge.

In addition, there is a reconciling item for the difference between actual interest income earned on invested funds held for clients and interest credited to Employer Services and PEO Services at a standard rate of 4.5%. This allocation is made for management reasons so that the reportable segments' results are presented on a consistent basis without the impact of fluctuations in interest rates. This allocation is a reconciling item to our reportable segments' revenues from continuing operations and earnings from continuing operations before income taxes and is eliminated in consolidation.

Employer Services

Fiscal 2014 Compared to Fiscal 2013

Revenues from continuing operations

Employer Services' revenues from continuing operations increased $610.3 million , or 8% , to $8,535.2 million in fiscal 2014 , as compared to fiscal 2013 . Revenues from continuing operations increased due to new business started during the year from new business bookings growth, an increase in the number of employees on our clients' payrolls, and the impact of price increases. Our worldwide client revenue retention rate in fiscal 2014 increased approximately 10 basis points to 91.4% as compared to our rate in fiscal 2013 and our U.S. pays per control increased 2.8% in fiscal 2014 .

Earnings from Continuing Operations before Income Taxes

Employer Services' earnings from continuing operations before income taxes increased $301.0 million , or 14% , to $2,517.8 million in fiscal 2014 , as compared to fiscal 2013 . The increase was due to the increase in revenues from continuing operations of $610.3 million discussed above, which was partially offset by an increase in expenses of $309.3 million . Expenses increased in fiscal 2014 due to investments in our salesforce and labor-related costs as compared to 2013, both of which grew slower than Employer Services' revenues. Overall margin increase d approximately 150 basis points from 28.0% to 29.5% for fiscal 2014 , as compared to fiscal 2013 , due to increased operating scale.

Fiscal 2013 Compared to Fiscal 2012

Revenues from continuing operations

Employer Services' revenues from continuing operations increase d $475.5 million , or 6% , to $7,924.9 million in fiscal 2013 , as compared to fiscal 2012 . Revenues from continuing operations for our Employer Services business would have increased approximately 5% without the impact of acquisitions and revenues pertaining to the sale in fiscal 2012 of assets related to rights and obligations to resell a third-party expense management platform. Revenues from continuing operations increased due to new business started during the year from new business bookings growth, an increase in the number of employees on our clients' payrolls, and the impact of price increases. Our worldwide client revenue retention rate in fiscal 2013 increased 40 basis points to 91.3% as compared to our rate in fiscal 2012 and U.S. our pays per control increased 2.8% in fiscal 2013.

Earnings from Continuing Operations before Income Taxes

Employer Services' earnings from continuing operations before income taxes increase d $162.2 million , or 8% , to $2,216.8 million in fiscal 2013 , as compared to fiscal 2012 . The increase was due to the increase in revenues of $475.5 million discussed above, which was partially offset by an increase in expenses of $313.3 million . In addition to an increase in expenses related to increase d revenues, expenses increased in fiscal 2013 due to investments in our salesforce and labor-related costs over the same period prior year levels coupled with the effects of acquisitions. Overall margin increase d approximately 40 basis points from 27.6% to 28.0% for fiscal 2013 , as compared to fiscal 2012 , and included the benefit of increased operating scale, offset by approximately 50 basis points of margin decline attributable to acquisitions.

PEO Services

Fiscal 2014 Compared to Fiscal 2013

Revenues

PEO Services' revenues increased $297.7 million , or 15% , to $2,270.9 million for fiscal 2014 , as compared to fiscal 2013 . Such revenues include pass-through costs of $1,736.0 million for fiscal 2014 and $1,513.5 million for fiscal 2013 associated with benefits coverage, workers' compensation coverage, and state unemployment taxes for worksite employees. The increase in revenues was due to a 15% increase in the average number of worksite employees, resulting from an increase in the number of new clients and growth in our existing clients.

Earnings from Continuing Operations before Income Taxes

PEO Services' earnings from continuing operations before income taxes increased $34.6 million , or 17% , to $234.3 million for fiscal 2014 , as compared to fiscal 2013 . Earnings from continuing operations before income taxes increased due to growth in earnings related to the increase in the average number of worksite employees. Overall margin increased approximately 20 basis points from 10.1% to 10.3% for fiscal 2014 , as compared to fiscal 2013 , due to lower direct product cost and operational efficiency, partially offset by higher selling expenses related to strong new business bookings.

Fiscal 2013 Compared to Fiscal 2012

Revenues

PEO Services' revenues increase d $201.8 million , or 11% , to $1,973.2 million in fiscal 2013 , as compared to fiscal 2012 . Such revenues include pass-through costs of $1,513.5 million for fiscal 2013 and $1,363.6 million for fiscal 2012 associated with benefits coverage, workers' compensation coverage, and state unemployment taxes for worksite employees. The increase in revenues was due to a 9% increase in the average number of worksite employees, resulting from an increase in the number of new clients and growth in our existing clients.

Earnings from Continuing Operations before Income Taxes

PEO Services' earnings from continuing operations before income taxes increase d $28.6 million , or 17% , to $199.7 million for fiscal 2013 , as compared to fiscal 2012 . Earnings from continuing operations before income taxes increase d due to growth in earnings related to the increase in the average number of worksite employees. Overall margin increased approximately 40 basis points from 9.7% to 10.1% for fiscal 2013 , as compared to fiscal 2012 , resulting from slower growth in pass-through costs.

Dealer Services

Fiscal 2014 Compared to Fiscal 2013

Revenues

Dealer Services' revenues increased $131.2 million , or 7% , to $1,951.4 million for fiscal 2014 , as compared to fiscal 2013 . This increase is driven by new business installed, improved client retention, and digital advertising revenues.

Earnings from Continuing Operations before Income Taxes

Dealer Services' earnings from continuing operations before income taxes increased $ 52.8 million , or 14% , to $428.1 million for fiscal 2014 , as compared to fiscal 2013 . This increase was due to the increase in revenues of $131.2 million discussed above and was partially offset by higher operating expenses related to implementing and servicing new clients and products. Overall margin increased approximately 130 basis points from 20.6% to 21.9% for fiscal 2014 , as compared to fiscal 2013 , due to increased operating efficiencies and the benefits of non-recurring items.

Fiscal 2013 Compared to Fiscal 2012

Revenues

Dealer Services' revenues increased $144.0 million , or 9% , to $1,820.2 million for fiscal 2013 , as compared to fiscal 2012 . Revenues for our Dealer Services business would have increased approximately 8% without the impact of acquisitions due to new clients, improved client retention, and growth in our key products during fiscal 2013, as compared to fiscal 2012. Revenues increased due to new business started during the year from growth in new business bookings and increased users of our digital marketing solutions. We continue to see increased utilization of our credit report and vehicle registration transactions, consistent with the steady improvement of the North American new car market.

Earnings from Continuing Operations before Income Taxes

Dealer Services' earnings from continuing operations before income taxes increased $53.2 million , or 17% , to $375.3 million for fiscal 2013 , as compared to fiscal 2012 . This increase was due to the increase in revenues of $144.0 million discussed above and was partially offset by higher operating expenses related to implementing and servicing new clients and products. Overall margin increased approximately 140 basis points from 19.2% to 20.6% for fiscal 2013, as compared to fiscal 2012, due to increased operating scale and included approximately 10 basis points of margin improvement related to acquisitions completed in fiscal 2012.

Other

The primary components of the “Other” segment are the results of operations of ADP Indemnity, non-recurring gains and losses, miscellaneous processing services, such as customer financing transactions, and certain charges and expenses that have not been allocated to the reportable segments, such as stock-based compensation expense, the fiscal 2014 separation costs related to the planned separation of our Dealer Services business, and the fiscal 2013 goodwill impairment charge.

Stock-based compensation expense was $138.4 million , $96.4 million , and $94.1 million in fiscal 2014 , 2013 , and 2012 , respectively.

ADP Indemnity provides workers' compensation and employer's liability deductible reimbursement insurance protection for PEO Services worksite employees up to a $1 million per occurrence. PEO Services has secured specific per occurrence and aggregate stop loss insurance from a wholly-owned and regulated insurance carrier of AIG that covers all losses in excess of the $1 million per occurrence and also any aggregate losses within the $1 million retention that collectively exceed a certain level in each policy year. We utilize historical loss experience and actuarial judgment to determine the estimated claim liability for the PEO Services business. Premiums are charged to PEO Services to cover the claims expected to be incurred by the PEO Services' worksite employees. Changes in estimated ultimate incurred losses are recognized by ADP Indemnity. During fiscal 2014 , ADP Indemnity paid a premium of $142.4 million to enter into a reinsurance arrangement with ACE American Insurance Company to cover substantially all losses incurred by ADP Indemnity for the fiscal 2014 policy year up to the $1 million per occurrence related to the workers' compensation and employer's liability deductible reimbursement insurance protection for PEO Services worksite employees. ADP Indemnity paid a premium of $167.9 million in July 2014 to enter into a reinsurance agreement with ACE American Insurance Company to cover substantially all losses for the year ended fiscal 2015 policy year on terms substantially similar to the fiscal 2014 reinsurance policy to cover losses up to the $1 million per occurrence related to the workers' compensation and employer's liability deductible reimbursement insurance protection for PEO Services worksite employees.

Our net realized gains on the sale of available-for-sale securities, including impairment losses, were $16.5 million , $28.6 million , and $18.6 million in each of fiscal 2014 , 2013 , and 2012 , respectively.

In fiscal 2013 we recorded a goodwill impairment charge of $42.7 million related to our ADP AdvancedMD business which is part of the Employer Services segment. There were no goodwill impairment charges in fiscal 2014 or 2012 . In fiscal 2014, we incurred $14.9 million of costs related to our planned separation of our Dealer Services business.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2014 , cash and marketable securities were $4,069.9 million , stockholders' equity was $6,670.2 million , and the ratio of long-term debt-to-equity was 0.2% . Working capital before funds held for clients and client funds obligations at June 30, 2014 was $1,630.8 million , as compared to $1,209.2 million at June 30, 2013 . The increase in working capital was primarily due to a decrease in our obligations under reverse repurchase agreements, an increase in accounts receivables, net, and an increase in cash and cash equivalents. As a result of short-term commercial paper obligations outstanding as of June 30, 2014 , we reclassified funds held for clients to short-term marketable securities and cash and cash equivalents, which did not impact our working capital before clients fund obligations at June 30, 2014.

In fiscal 2015, as a result of the planned separation of our Dealer Services business, we expect to receive a dividend of at least $700 million, which we plan to return to our shareholders after the spin-off through share repurchases, depending upon market conditions. Additionally, in the first quarter of fiscal 2015, we expect to monetize notes receivables related to our Dealer Services financing arrangements, which is expected to generate between $195 million and $205 million of cash.

Our principal sources of liquidity for operations are derived from cash generated through operations and through corporate cash and marketable securities on hand. We continued to generate positive cash flows from operations during fiscal 2014 , and we held approximately $4.1 billion of cash and marketable securities at June 30, 2014 , which included $2.2 billion of cash and cash equivalents related to our commercial paper borrowings. We have the ability to borrow through our financing arrangements under our U.S. short-term commercial paper program and our U.S. and Canadian short-term reverse repurchase agreements to meet short-term funding requirements related to client funds obligations. Included in our cash and cash equivalents as of June 30, 2014 is $0.8 billion held by our foreign subsidiaries. Amounts held by foreign subsidiaries, if repatriated to the U.S., would generally be subject to foreign withholding and U.S. income taxes, adjusted for foreign tax credits. Our intent is to permanently reinvest these funds outside of the U.S. and our current plans do not demonstrate a need to repatriate them to fund our U.S. operations.

Our cash flows from operating, investing, and financing activities, as reflected in the Statements of Consolidated Cash Flows for the years ended 2014 , 2013 , and 2012 , are summarized as follows:

	Years ended June 30,			$ Change	
	2014	2013	2012	2014	2013
Cash provided by (used in):					
Operating activities	$ 1,821.4	$ 1,577.2	$ 1,910.2	$ 244.2	$ (333.0)
Investing activities	813.3	(1,578.4)	3,243.6	2,391.7	(4,822.0)
Financing activities	(2,358.2)	151.0	(4,953.9)	(2,509.2)	5,104.9
Effect of exchange rate changes on cash and cash equivalents	8.0	1.2	(41.2)	6.8	42.4
Net change in cash and cash equivalents	$ 284.5	$ 151.0	$ 158.7	$ 133.5	$ (7.7)

Net cash flows provided by operating activities were $1,821.4 million for fiscal 2014 , as compared to $ 1,577.2 million for fiscal 2013 . The increase in net cash flows provided by operating activities was due to $110.1 million higher net earnings in fiscal 2014 , a lower pension contribution of $50.6 million, and a favorable change in the remaining components of net working capital. For the year ended June 30, 2014, Other operating activities include a $49.9 million use of funds and financing activities include a $49.9 million source of funds for excess tax benefits related to stock-based compensation. For the year ended June 30, 2013, Other operating activities include a $16.2 million use of funds and financing activities include a $16.2 million source of funds for excess tax benefits related to stock-based compensation.

Net cash flows provided by investing activities were $ 813.3 million for fiscal 2014 , as compared to net cash flows used in investing activities of $ 1,578.4 million for fiscal 2013 . The net change in cash provided by investing activities is due to the timing of receipts and disbursements of restricted cash and cash equivalents held to satisfy client funds obligations of $2,698.8 million and a decrease in the purchases of corporate and client funds marketable securities of $1,487.7 million , partially offset by the a decrease in proceeds from sales and maturities of corporate and clients funds marketable securities of $1,579.1 million .

Net cash flows used in financing activities were $ 2,358.2 million for fiscal 2014 as compared to net cash flows provided by financing activities of $ 151.0 million for fiscal 2013 . The net change in cash provided by financing activities is due to the net decrease in client funds obligations of $4,128.0 million as a result of the timing of cash received and payments made related to client funds and the timing of our borrowings and repayments of our reverse repurchase obligations, partially offset by the net increase in proceeds from commercial paper borrowings of $2,173.0 million .

We purchased approximately 9.0 million shares of our common stock at an average price per share of $75.06 during fiscal 2014 compared to purchases of 10.4 million shares at an average price per share of $61.89 during fiscal 2013 . From time to time, the Company may repurchase shares of its common stock under its authorized share repurchase programs. The Company considers several factors in determining when to execute share repurchases, including, among other things, actual and potential acquisition activity, cash balances and cash flows, issuances due to employee benefit plan activity, and market conditions.

Our U.S. short-term funding requirements related to client funds are sometimes obtained through a short-term commercial paper program, which provides for the issuance of up to $7.25 billion in aggregate maturity value of commercial paper, rather than liquidating previously-collected client funds that have already been invested in available-for-sale securities. In July 2014, we increased our U.S. short-term commercial paper program to provide for the issuance of up to $7.5 billion in aggregate maturity value. Our commercial paper program is rated A-1+ by Standard and Poor's and Prime-1 by Moody's. These ratings denote the highest quality commercial paper securities. Maturities of commercial paper can range from overnight to up to 364 days. For fiscal 2014 and 2013 , our average borrowings were $2.3 billion and $2.4 billion , respectively, at weighted average interest rate of 0.1% and 0.2% , respectively. The weighted average maturity of the Company's commercial paper during fiscal 2014 approximated two days . We have successfully borrowed through the use of our commercial paper program on an as needed basis to meet short-term funding requirements related to client funds obligations. At June 30, 2014 , we had $2.2 billion of commercial paper outstanding, which was subsequently repaid on July 1, 2014 . At June 30, 2013 , we had no outstanding obligations under our short-term commercial paper program.

Our U.S. and Canadian short-term funding requirements related to client funds obligations are sometimes obtained on a secured basis through the use of reverse repurchase agreements, which are collateralized principally by government and government agency securities, rather than liquidating previously-collected client funds that have already been invested in available-for-sale securities. These agreements generally have terms ranging from overnight to up to five business days. We have successfully borrowed through the use of reverse repurchase agreements on an as needed basis to meet short-term funding requirements related to client funds obligations. At June 30, 2014 , there were no outstanding obligations related to the reverse repurchase agreements. At June 30, 2013 , we had $245.9 million of obligations outstanding related to reverse repurchase agreements, which were repaid on July 2, 2013 . For fiscal 2014 and 2013 , we had average outstanding balances under reverse repurchase agreements of $361.7 million and $362.0 million , respectively, at weighted average interest rates of 0.5% and 0.7% , respectively. In addition, we have $3.25 billion available to us on a committed basis under these reverse repurchase agreements. We believe that we currently meet all conditions set forth in the committed reverse repurchase agreements to borrow thereunder, and we are not aware of any conditions that would prevent us from borrowing part or all of the $3.25 billion available to us under the committed reverse repurchase agreements.

We have a $2.25 billion , 364-day credit agreement with a group of lenders that matures in June 2015 . In addition, we have a five-year $2.0 billion credit facility and a five-year $3.25 billion credit facility maturing in June 2018 and June 2019 , respectively, each with an accordion feature under which the aggregate commitment can be increased by $ 500.0 million , subject to the availability of additional commitments. The interest rate applicable to committed borrowings is tied to LIBOR, the effective federal funds rate, or the prime rate depending on the notification provided by the Company to the syndicated financial institutions prior to borrowing. The Company is also required to pay facility fees on the credit agreements. The primary uses of the credit facilities are to provide liquidity to the commercial paper program and funding for general corporate purposes, if necessary. We had no borrowings through June 30, 2014 under the credit agreements. We believe that we currently meet all conditions set forth in the revolving credit agreements to borrow thereunder, and we are not aware of any conditions that would prevent us from borrowing part or all of the $7.5 billion available to us under the revolving credit agreements.

Our investment portfolio does not contain any asset-backed securities with underlying collateral of subprime mortgages, alternative-A mortgages, sub-prime auto loans or sub-prime home equity loans, collateralized debt obligations, collateralized loan obligations, credit default swaps, asset-backed commercial paper, derivatives, auction rate securities, structured investment vehicles or non-investment grade fixed-income securities. We own AAA rated senior tranches of fixed rate credit card, auto loan, rate reduction, and other asset-backed securities, secured predominately by prime collateral. All collateral on asset-backed securities is performing as expected. In addition, we own senior debt directly issued by Federal Home Loan Banks and Federal Farm Credit Banks. We do own mortgage-backed securities, which represent an undivided beneficial ownership interest in a group or pool of one or more residential mortgages. These securities are collateralized by the cash flows of 15-year and 30-year residential mortgages and are guaranteed by Federal National Mortgage Association and Federal Home Loan Mortgage Corporation as to the timely payment of principal and interest. Our client funds investment strategy is structured to allow us to average our way through an interest rate cycle by laddering the maturities of our investments out to five years (in the case of the extended portfolio) and out to ten years (in the case of the long portfolio). This investment strategy is supported by our short-term financing arrangements necessary to satisfy short-term funding requirements relating to client funds obligations.

Capital expenditures for continuing operations in fiscal 2014 were $218.7 million , as compared to $174.8 million in fiscal 2013 and $146.2 million in fiscal 2012 . The capital expenditures in fiscal 2014 related to our data center and other facility improvements made to support our operations. We expect capital expenditures in fiscal 2015 to be between $250 million and $275 million.

The following table provides a summary of our contractual obligations as of June 30, 2014 :

(In millions)	Payments due by period					
Contractual Obligations	Less than 1 year	1-3 years	3-5 years	More than 5 years	Unknown	Total
Debt Obligations (1)	$ 2.3	$ 5.1	$ 6.9	$ —	$ —	$ 14.3
Operating Lease and Software License Obligations (2)	$ 209.9	$ 235.2	$ 83.0	$ 32.6	$ —	$ 560.7
Purchase Obligations (3)	$ 379.7	$ 268.4	$ 132.3	$ —	$ —	$ 780.4
Obligations related to Unrecognized Tax Benefits (4)	$ 1.0	$ —	$ —	$ —	$ 55.7	$ 56.7
Other long-term liabilities reflected on our Consolidated Balance Sheets:						
Compensation and Benefits (5)	$ 5.4	$ 191.6	$ 100.4	$ 265.0	$ 80.0	$ 642.4
Acquisition-related obligations (6)	$ 0.3	$ —	$ —	$ —	$ —	$ 0.3
Total	$ 598.6	$ 700.3	$ 322.6	$ 297.6	$ 135.7	$ 2,054.8

(1) These amounts represent the principal repayments of our debt and are included on our Consolidated Balance Sheets. The estimated interest payments due by the corresponding period above are $0.5 million, $0.6 million, $0.1 million, and $0.0 million, respectively, which have been excluded.

(2) Included in these amounts are various facilities and equipment leases and software license agreements. We enter into operating leases in the normal course of business relating to facilities and equipment, as well as the licensing of software. The majority of our lease agreements have fixed payment terms based on the passage of time. Certain facility and equipment leases require payment of maintenance and real estate taxes and contain escalation provisions based on future adjustments in price indices. Our future operating lease obligations could change if we exit certain contracts or if we enter into additional operating lease agreements.

(3) Purchase obligations are comprised of a $167.9 million reinsurance premium with ACE American Insurance Company for the fiscal 2015 policy year, as well as obligations related to purchase and maintenance agreements on our software, equipment, and other assets.

(4) We made the determination that net cash payments expected to be paid within the next 12 months, related to unrecognized tax benefits of $56.7 million at June 30, 2014, are expected to be up to $1 million. We are unable to make reasonably reliable estimates as to the period beyond the next 12 months in which cash payments related to unrecognized tax benefits are expected to be paid.

(5) Compensation and benefits primarily relates to amounts associated with our employee benefit plans and other compensation arrangements. These amounts exclude the estimated contributions to our defined benefit plans, which are expected to be $9.5 million in fiscal 2015 .

(6) Acquisition-related obligations relate to deferred purchase consideration payments at future dates. A liability is established at the time of the acquisition for these fixed payments.

In addition to the obligations quantified in the table above, we had obligations for the remittance of funds relating to our payroll and payroll tax filing services. As of June 30, 2014 , the obligations relating to these matters, which are expected to be paid in fiscal 2015 , total $18,963.4 million and were recorded in client funds obligations on our Consolidated Balance Sheets. We had $19,258.0 million of cash and marketable securities that have been impounded from our clients to satisfy such obligations recorded in funds held for clients on our Consolidated Balance Sheets as of June 30, 2014 .

ADP Indemnity provides workers' compensation and employer's liability deductible reimbursement insurance protection for PEO Services worksite employees up to a $1 million per occurrence. PEO Services has secured specific per occurrence and aggregate stop loss insurance from a wholly-owned and regulated insurance carrier of AIG that covers all losses in excess of the $1 million per occurrence and also any aggregate losses within the $1 million retention that collectively exceed a certain level in certain policy years. Should AIG and its wholly-owned insurance company be unable to satisfy their contractual obligations, ADP would also become responsible for satisfying these worksite employee workers' compensation obligations for these claims in excess of the $1 million per occurrence. We utilize historical loss experience and actuarial judgment to determine the estimated claim liability for the PEO Services business. Premiums are charged to PEO Services to cover the claims expected to be incurred by the PEO Services' worksite employees. Changes in estimated ultimate incurred losses are recognized by ADP Indemnity. During fiscal 2014, ADP Indemnity paid a premium of $142.4 million to enter into a reinsurance agreement with ACE American Insurance Company to cover substantially all losses incurred by ADP Indemnity for the fiscal 2014 policy year up to the $1 million per occurrence related to the workers' compensation and employers' liability deductible reimbursement insurance protection for PEO Services worksite employees. ADP Indemnity paid a premium of $167.9 million in July 2014 to enter into a reinsurance agreement with ACE American Insurance Company to cover substantially all losses for the fiscal 2015 policy year on terms substantially similar to the fiscal 2014 reinsurance policy. At June 30, 2014 , ADP Indemnity's total assets were $378.4 million to satisfy the actuarially estimated unpaid losses of $318.8 million for the policy years since July 1, 2003. ADP Indemnity paid claims of $45.3 million and $59.5 million, net of insurance recoveries, in fiscal 2014 and 2013 , respectively.

In the normal course of business, we also enter into contracts in which we make representations and warranties that relate to the performance of our services and products. We do not expect any material losses related to such representations and warranties.

Quantitative and Qualitative Disclosures about Market Risk

Our overall investment portfolio is comprised of corporate investments (cash and cash equivalents, short-term marketable securities, and long-term marketable securities) and client funds assets (funds that have been collected from clients but not yet remitted to the applicable tax authorities or client employees).

Our corporate investments are invested in cash and cash equivalents and highly liquid, investment-grade marketable securities. These assets are available for repurchases of common stock for treasury and/or acquisitions, as well as other corporate operating purposes. All of our short-term and long-term fixed-income securities are classified as available-for-sale securities.

Our client funds assets are invested with safety of principal, liquidity, and diversification as the primary objectives. Consistent with those objectives, we also seek to maximize interest income and to minimize the volatility of interest income. Client funds assets are invested in highly liquid, investment-grade marketable securities, with a maximum maturity of 10 years at the time of purchase and money market securities and other cash equivalents. At June 30, 2014 , approximately 92% of the available-for-sale securities categorized as U.S. Treasury and direct obligations of U.S. government agencies were invested in senior, unsecured, non-callable debt directly issued by the Federal Home Loan Banks and Federal Farm Credit Banks.

We utilize a strategy by which we extend the maturities of our investment portfolio for funds held for clients and employ short-term financing arrangements to satisfy our short-term funding requirements related to client funds obligations. Our client funds investment strategy is structured to allow us to average our way through an interest rate cycle by laddering the maturities of our investments out to five years (in the case of the extended portfolio) and out to ten years (in the case of the long portfolio). As part of our client funds investment strategy, we use the daily collection of funds from our clients to satisfy other unrelated client funds obligations, rather than liquidating previously-collected client funds that have already been invested in available-for-sale securities. We minimize the risk of not having funds collected from a client available at the time such client's obligation becomes due by impounding, in virtually all instances, the client's funds in advance of the timing of payment of such client's obligation. As a result of this practice, we have consistently maintained the required level of client funds assets to satisfy all of our obligations.

There are inherent risks and uncertainties involving our investment strategy relating to our client funds assets. Such risks include liquidity risk, including the risk associated with our ability to liquidate, if necessary, our available-for-sale securities in a timely manner in order to satisfy our client funds obligations. However, our investments are made with the safety of principal, liquidity, and diversification as the primary goals to minimize the risk of not having sufficient funds to satisfy all of our client funds obligations. We also believe we have significantly reduced the risk of not having sufficient funds to satisfy our client funds obligations by consistently maintaining access to other sources of liquidity, including our corporate cash balances, available borrowings under our $7.5 billion commercial paper program (rated A-1+ by Standard and Poor's and Prime-1 (P1) by Moody's, the highest possible credit ratings), our ability to execute reverse repurchase transactions ($ 3.25 billion of which is available on a committed basis), and available borrowings under our $7.5 billion committed revolving credit facilities. The reduced availability of financing during periods of economic turmoil, even to borrowers with the highest credit ratings, may limit our ability to access short-term debt markets to meet the liquidity needs of our business. In addition to liquidity risk, our investments are subject to interest rate risk and credit risk, as discussed below.

We have established credit quality, maturity, and exposure limits for our investments. The minimum allowed credit rating at time of purchase for corporate and Canadian provincial bonds is BBB, for asset-backed securities is AAA, and for municipal bonds is A. The maximum maturity at time of purchase for BBB rated securities is 5 years, for single A rated securities is 7 years, and for AA rated and AAA rated securities is 10 years. Time deposits and commercial paper must be rated A-1 and/or P-1. Money market funds must be rated AAA/Aaa-mf.

Details regarding our overall investment portfolio are as follows:

(Dollars in millions) Years ended June 30,	2014	2013	2012
Average investment balances at cost:			
Corporate investments	$ 4,072.4	$ 4,200.3	$ 4,024.6
Funds held for clients	20,726.5	19,156.3	17,898.2
Total	$ 24,798.9	$ 23,356.6	$ 21,922.8
Average interest rates earned exclusive of realized gains/(losses) on:			
Corporate investments	1.4%	1.5%	2.1%
Funds held for clients	1.8%	2.2%	2.8%
Total	1.7%	2.1%	2.6%
Realized gains on available-for-sale securities	$ 20.4	$ 32.1	$ 32.1
Realized losses on available-for-sale securities	(3.9)	(3.5)	(7.7)
Net realized gains on available-for-sale securities	$ 16.5	$ 28.6	$ 24.4
Impairment losses on available-for-sale securities	$ —	$ —	$ (5.8)
As of June 30:			
Net unrealized pre-tax gains on available-for-sale securities	$ 324.4	$ 287.4	$ 710.5
Total available-for-sale securities at fair value	$ 20,156.5	$ 18,838.7	$ 18,093.4

We are exposed to interest rate risk in relation to securities that mature, as the proceeds from maturing securities are reinvested. Factors that influence the earnings impact of interest rate changes include, among others, the amount of invested funds and the overall portfolio mix between short-term and long-term investments. This mix varies during the fiscal year and is impacted by daily interest rate changes. The annualized interest rate earned on our entire portfolio decrease d from 2.1% for fiscal 2013 to 1.7% for fiscal 2014 . A hypothetical change in both short-term interest rates (e.g., overnight interest rates or the federal funds rate) and intermediate-term interest rates of 25 basis points applied to the estimated average investment balances and any related short-term borrowings would result in approximately a $10 million impact to earnings from continuing operations before income taxes over the ensuing twelve-month period ending June 30, 2015 . A hypothetical change in only short-term interest rates of 25 basis points applied to the estimated average short-term investment balances and any related short-term borrowings would result in approximately a $5 million impact to earnings from continuing operations before income taxes over the ensuing twelve-month period ending June 30, 2015 .

We are exposed to credit risk in connection with our available-for-sale securities through the possible inability of the borrowers to meet the terms of the securities. We limit credit risk by investing in investment-grade securities, primarily AAA and AA rated securities, as rated by Moody's, Standard & Poor's, and for Canadian securities, Dominion Bond Rating Service. Approximately 82% of our available-for-sale securities held a AAA or AA rating at June 30, 2014 . In addition, we limit amounts that can be invested in any security other than U.S. and Canadian government or government agency securities.

We operate and transact business in various foreign jurisdictions and are therefore exposed to market risk from changes in foreign currency exchange rates that could impact our consolidated results of operations, financial position, or cash flows. We manage our exposure to these market risks through our regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. We may use derivative financial instruments as risk management tools and not for trading purposes.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers," which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 requires an entity to recognize revenue depicting the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 will also result in enhanced revenue related disclosures. ASU 2014-09 is effective for fiscal years, and interim reporting periods within those years, beginning after December 15, 2016. We have not yet determined the impact of ASU 2014-09 on our consolidated results of operations, financial condition, or cash flows.

In April 2014, the FASB issued ASU 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." ASU 2014-08 requires that a disposal representing a strategic shift that has (or will have) a major effect on an entity’s financial results or a business activity classified as held for sale should be reported as discontinued operations. ASU 2014-08 also expands the disclosure requirements for discontinued operations and adds new disclosures for individually significant dispositions that do not qualify as discontinued operations. ASU 2014-08 is effective prospectively for fiscal years, and interim reporting periods within those years, beginning after December 15, 2014. The impact of ASU 2014-08 is dependent upon the nature of dispositions, if any, after adoption.

In July 2013, the FASB issued ASU 2013-11, “Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists.” ASU 2013-11 requires netting of unrecognized tax benefits against a deferred tax asset for a loss or other carryforward that would apply in settlement of the uncertain tax position. ASU 2013-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Retrospective adoption is permitted. The adoption of ASU 2013-11 will not have a material impact on our consolidated results of operations, financial condition, or cash flows.

In July 2013, we adopted ASU 2013-02, “Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income.” ASU 2013-02 requires entities to disclose the amount of income (loss) reclassified out of accumulated other comprehensive income to each respective line item on the income statement. The guidance allows companies to elect whether to disclose the reclassification either on the face of the income statement or in the notes to the financial statements, including cross-referencing other disclosures which provide additional details about these amounts. We have elected to disclose the reclassification in the notes to the financial statements with cross-references to other disclosures which provide additional details about the amounts. The adoption of ASU 2013-02 did not have an impact on our consolidated results of operations, financial condition, or cash flows.

CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates, judgments, and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses. We continually evaluate the accounting policies and estimates used to prepare the consolidated financial statements. The estimates are based on historical experience and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ from these estimates made by management. Certain accounting policies that require significant management estimates and are deemed critical to our results of operations or financial position are discussed below.

Revenue Recognition . Our revenues are primarily attributable to fees for providing services (*e.g.* , Employer Services' and PEO Services' payroll processing fees) as well as investment income on payroll funds, payroll tax filing funds and other Employer Services' client-related funds. PEO revenues are reported net of direct pass-through costs, which are costs billed and incurred for PEO Services' worksite employees, primarily consisting of payroll wages and payroll taxes. Benefits, workers' compensation and state unemployment tax fees for worksite employees are included in PEO revenues and the associated costs are included in operating expenses. We enter into agreements for a fixed fee per transaction (*e.g.* , number of payees or number of payrolls processed). Fees associated with services are recognized in the period services are rendered and earned under service arrangements with clients where service fees are fixed or determinable and collectability is reasonably assured. Our service fees are determined based on written price quotations or service agreements having stipulated terms and conditions that do not require management to make any significant judgments or assumptions regarding any potential uncertainties. Interest income on collected but not yet remitted funds held for clients is recognized in revenues as earned, as the collection, holding, and remittance of these funds are critical components of providing these services.

We also recognize revenues associated with the sale of software systems and associated software licenses (*e.g* ., Dealer Services' dealer management systems). For a majority of our software sales arrangements, which provide hardware, software licenses, installation, and post-contract customer support, revenues are recognized ratably over the software license term, as vendor-specific objective evidence of the fair values of the individual elements in the sales arrangement does not exist. Changes to the elements in an arrangement and the ability to establish vendor-specific objective evidence for those elements could affect the timing of the revenue recognition.

We assess collectability of our revenues based primarily on the creditworthiness of the customer as determined by credit checks and analysis, as well as the customer's payment history. We do not believe that a change in our assumptions utilized in the collectability determination would result in a material change to revenues as no single customer accounts for a significant portion of our revenues.

Goodwill . We account for goodwill in accordance with ASC 350-10, which states that goodwill should not be amortized, but instead tested for impairment annually and whenever events or changes in circumstances indicate the carrying value may not be recoverable. We perform this impairment test by first comparing the fair value of each reporting unit to its carrying amount. If the carrying value for a reporting unit exceeds its fair value, we then compare the implied fair value of our goodwill to the carrying amount in order to determine the amount of the impairment, if any. We determine the fair value of our reporting units using an equal weighted blended approach, which combines the income approach, which is the present value of expected cash flows, discounted at a risk-adjusted weighted-average cost of capital; and the market approach, which is based on using market multiples of companies in similar lines of business. Significant assumptions used in determining the fair value of our reporting units include projected revenue growth rates, profitability projections, working capital assumptions, the weighted-average cost of capital, the determination of appropriate market comparison companies, and terminal growth rates. We had $3,113.8 million of goodwill as of June 30, 2014 . Based on the fair value analysis completed in the fourth quarter of 2014 , management concluded that fair value exceeded carrying value for all reporting units and that no reporting units were at risk of goodwill impairment. In completing the annual impairment test for fiscal 2014 , we evaluated the reasonableness of differences noted between the fair value and carrying value of each reporting unit. Given the significance of our goodwill, an adverse change to the fair value of goodwill and intangible assets could result in an impairment charge which could be material to our consolidated earnings if we are unable to generate the anticipated revenue growth, synergies and/or cost savings associated with our acquisitions. During the fourth quarter of fiscal 2013, there was an impairment charge of $42.7 million for the ADP AdvancedMD reporting unit.

Income Taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. Judgment is required in addressing the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns (*e.g.* , realization of deferred tax assets, changes in tax laws or interpretations thereof). In addition, we are subject to the continuous examination of our income tax returns by the IRS and other tax authorities. A change in the assessment of the outcomes of such matters could materially impact our consolidated financial statements.

There is a financial statement recognition threshold and measurement attribute for tax positions taken or expected to be taken in a tax return. Specifically, the likelihood of an entity's tax benefits being sustained must be “more likely than not” assuming that those positions will be examined by taxing authorities with full knowledge of all relevant information prior to recording the related tax benefit in the financial statements. If a tax position drops below the “more likely than not” standard, the benefit can no longer be recognized. Assumptions, judgment and the use of estimates are required in determining if the “more likely than not” standard has been met when developing the provision for income taxes. A change in the assessment of the “more likely than not” standard could materially impact our consolidated financial statements. As of June 30, 2014 and 2013 , the Company's liabilities for unrecognized tax benefits, which include interest and penalties, were $56.7 million and $70.7 million , respectively.

If certain pending tax matters settle within the next twelve months, the total amount of unrecognized tax benefits may increase or decrease for all open tax years and jurisdictions. Based on current estimates, favorable settlements related to various jurisdictions and tax periods could increase earnings up to $10 million in the next twelve months. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. We continually assess the likelihood and amount of potential adjustments and adjust the income tax provision, the current tax liability and deferred taxes in the period in which the facts that give rise to a revision become known.

Stock-Based Compensation. We measure stock-based compensation expense based on the fair value of the award on the date of grant. We determine the fair value of stock options issued by using a binomial option-pricing model. The binomial option-pricing model considers a range of assumptions related to volatility, dividend yield, risk-free interest rate and employee exercise behavior. Expected volatilities utilized in the binomial option-pricing model are based on a combination of implied market volatilities, historical volatility of our stock price and other factors. Similarly, the dividend yield is based on historical experience and expected future changes. The risk-free rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The binomial option-pricing model also incorporates exercise and forfeiture assumptions based on an analysis of historical data. The expected life of the stock option grants is derived from the output of the binomial model and represents the period of time that options granted are expected to be outstanding. Determining these assumptions is subjective and complex, and therefore, a change in the assumptions utilized could impact the calculation of the fair value of our stock options.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The information called by this item is provided under the caption "Quantitative and Qualitative Disclosures About Market Risk" under "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operation.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Automatic Data Processing, Inc.

Roseland, New Jersey

We have audited the accompanying consolidated balance sheets of Automatic Data Processing, Inc. and subsidiaries (the "Company") as of June 30, 2014 and 2013 , and the related statements of consolidated earnings, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended June 30, 2014 . Our audits also included the consolidated financial statement schedule listed in the Index at Item 15(a) 2. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and consolidated financial statement schedule based on our audits.

We conducted our audits 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Automatic Data Processing, Inc. and subsidiaries as of June 30, 2014 and 2013 , and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2014 , in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of June 30, 2014 , based on the criteria established in Internal Control-Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 8, 2014 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey
August 8, 2014

Statements of Consolidated Earnings

(In millions, except per share amounts)

Years ended June 30,	2014	2013	2012
REVENUES:			
Revenues, other than interest on funds held for clients and PEO revenues	$ 9,575.2	$ 8,906.0	$ 8,341.9
Interest on funds held for clients	373.7	420.9	493.3
PEO revenues (A)	2,257.6	1,960.7	1,760.2
TOTAL REVENUES	12,206.5	11,287.6	10,595.4
EXPENSES:			
Costs of revenues:			
Operating expenses	6,248.6	5,731.5	5,355.2
Systems development and programming costs	718.0	654.3	592.7
Depreciation and amortization	254.8	252.7	256.0
TOTAL COSTS OF REVENUES	7,221.4	6,638.5	6,203.9
Selling, general, and administrative expenses	2,762.4	2,617.4	2,452.9
Separation costs	14.9	—	—
Goodwill impairment	—	42.7	—
Interest expense	6.1	9.1	7.7
TOTAL EXPENSES	10,004.8	9,307.7	8,664.5
Other income, net	(72.9)	(96.2)	(170.8)
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	2,274.6	2,076.1	2,101.7
Provision for income taxes	772.0	718.0	726.5
NET EARNINGS FROM CONTINUING OPERATIONS	$ 1,502.6	$ 1,358.1	$ 1,375.2
EARNINGS FROM DISCONTINUED OPERATIONS BEFORE INCOME TAXES	19.5	75.0	20.4
Provision for income taxes	6.2	27.3	7.1
NET EARNINGS FROM DISCONTINUED OPERATIONS	$ 13.3	$ 47.7	$ 13.3
NET EARNINGS	$ 1,515.9	$ 1,405.8	$ 1,388.5
Basic Earnings Per Share from Continuing Operations	$ 3.14	$ 2.81	$ 2.82
Basic Earnings Per Share from Discontinued Operations	0.03	0.10	0.03
BASIC EARNINGS PER SHARE	$ 3.17	$ 2.91	$ 2.85
Diluted Earnings Per Share from Continuing Operations	$ 3.11	$ 2.79	$ 2.79
Diluted Earnings Per Share from Discontinued Operations	0.03	0.10	0.03
DILUTED EARNINGS PER SHARE	$ 3.14	$ 2.89	$ 2.82
Basic weighted average shares outstanding	478.9	482.7	487.3
Diluted weighted average shares outstanding	483.1	487.1	492.2

(A) Professional Employer Organization (“PEO”) revenues are net of direct pass-through costs, primarily consisting of payroll wages and payroll taxes, of $23,192.2 million , $19,956.2 million , and $17,792.2 million , respectively.

See notes to the consolidated financial statements.

Statements of Consolidated Comprehensive Income

(In millions)

Years ended June 30,	2014	2013	2012
Net earnings	$ 1,515.9	$ 1,405.8	$ 1,388.5
Other comprehensive income:			
Currency translation adjustments	59.9	(2.4)	(141.1)
Unrealized net gains/(losses) on available-for-sale securities	53.5	(394.6)	158.1
Tax effect	(18.2)	138.5	(54.4)
Reclassification of net gains on available-for-sale securities to net earnings	(16.5)	(28.6)	(18.6)
Tax effect	6.1	10.1	6.4
Pension net gains/(losses) arising during the period	102.8	68.2	(149.7)
Tax effect	(39.7)	(25.7)	52.3
Reclassification of pension liability adjustment to net earnings	20.7	31.7	15.5
Tax effect	(5.8)	(12.0)	(5.4)
Other comprehensive income/(loss), net of tax	162.8	(214.8)	(136.9)
Comprehensive income	$ 1,678.7	$ 1,191.0	$ 1,251.6

See notes to the consolidated financial statements.

Consolidated Balance Sheets

(In millions, except per share amounts)

June 30,	2014	2013
Assets		
Current assets:		
Cash and cash equivalents (A) (B)	$ 1,983.6	$ 1,699.1
Short-term marketable securities (B)	2,032.2	28.0
Accounts receivable, net	1,800.4	1,595.3
Other current assets	759.2	646.6
Assets of discontinued operations	—	16.7
Total current assets before funds held for clients	6,575.4	3,985.7
Funds held for clients	19,258.0	22,228.8
Total current assets	25,833.4	26,214.5
Long-term marketable securities (A)	54.1	314.0
Long-term receivables, net	155.4	138.7
Property, plant and equipment, net	777.4	728.6
Other assets	1,485.3	1,189.9
Goodwill	3,113.8	3,039.2
Intangible assets, net	632.3	643.2
Total assets	$ 32,051.7	$ 32,268.1
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 169.7	$ 156.5
Accrued expenses and other current liabilities	1,314.9	1,178.3
Accrued payroll and payroll-related expenses	707.1	631.3
Dividends payable	226.9	206.7
Short-term deferred revenues	332.6	314.6
Obligations under reverse repurchase agreements (A)	—	245.9
Obligations under commercial paper borrowings (B)	2,173.0	—
Income taxes payable	20.4	39.0
Liabilities of discontinued operations	—	4.2
Total current liabilities before client funds obligations	4,944.6	2,776.5
Client funds obligations	18,963.4	21,956.3
Total current liabilities	23,908.0	24,732.8
Long-term debt	11.5	14.7
Other liabilities	660.0	603.1
Deferred income taxes	288.8	234.4
Long-term deferred revenues	513.2	493.2
Total liabilities	25,381.5	26,078.2
Stockholders' equity:		
Preferred stock, $1.00 par value: Authorized, 0.3 shares; issued, none	—	—
Common stock, $0.10 par value: Authorized, 1,000.0 shares; issued 638.7 shares at June 30, 2014 and 2013; outstanding, 480.2 and 482.6 shares at June 30, 2014 and June 30, 2013, respectively	63.9	63.9
Capital in excess of par value	545.2	456.9
Retained earnings	13,632.9	13,020.3
Treasury stock - at cost: 158.5 and 156.1 shares at June 30, 2014 and June 30, 2013, respectively	(7,750.0)	(7,366.6)
Accumulated other comprehensive income	178.2	15.4
Total stockholders’ equity	6,670.2	6,189.9
Total liabilities and stockholders’ equity	$ 32,051.7	$ 32,268.1

(A) As of June 30, 2013 , $245.2 million of long-term marketable securities and $0.7 million of cash and cash equivalents have been pledged as collateral under the Company's

reverse repurchase agreements (see Note 10).
(B) As of June 30, 2014 , $2,015.8 million of short-term marketable securities and $183.8 million of cash and cash equivalents are related to the Company's outstanding commercial paper borrowings (see Note 10).

See notes to the consolidated financial statements.

Statements of Consolidated Stockholders' Equity

(In millions, except per share amounts)

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income
	Shares	Amount				
Balance at June 30, 2011	638.7	$ 63.9	$ 489.5	$ 11,803.9	$ (6,714.0)	$ 367.1
Net earnings	—	—	—	1,388.5	—	—
Other comprehensive loss	—	—	—	—	—	(136.9)
Stock-based compensation expense	—	—	78.7	—	—	—
Issuances relating to stock compensation plans	—	—	(106.0)	—	356.5	—
Tax benefits from stock compensation plans	—	—	24.2	—	—	—
Treasury stock acquired (14.6 shares)	—	—	—	—	(747.3)	—
Dividends ($1.55 per share)	—	—	—	(754.1)	—	—
Balance at June 30, 2012	638.7	$ 63.9	$ 486.4	$ 12,438.3	$ (7,104.8)	$ 230.2
Net earnings	—	—	—	1,405.8	—	—
Other comprehensive loss	—	—	—	—	—	(214.8)
Stock-based compensation expense	—	—	79.2	—	—	—
Issuances relating to stock compensation plans	—	—	(148.3)	—	384.7	—
Tax benefits from stock compensation plans	—	—	39.6	—	—	—
Treasury stock acquired (10.4 shares)	—	—	—	—	(646.5)	—
Dividends ($1.70 per share)	—	—	—	(823.8)	—	—
Balance at June 30, 2013	638.7	$ 63.9	$ 456.9	$ 13,020.3	$ (7,366.6)	$ 15.4
Net earnings	—	—	—	1,515.9	—	—
Other comprehensive income	—	—	—	—	—	162.8
Stock-based compensation expense	—	—	110.3	—	—	—
Issuances relating to stock compensation plans	—	—	(78.6)	—	314.5	—
Tax benefits from stock compensation plans	—	—	56.6	—	—	—
Treasury stock acquired (9.0 shares)	—	—	—	—	(697.9)	—
Dividends ($1.88 per share)	—	—	—	(903.3)	—	—
Balance at June 30, 2014	638.7	$ 63.9	$ 545.2	$ 13,632.9	$ (7,750.0)	$ 178.2

See notes to the consolidated financial statements.

Statements of Consolidated Cash Flows
(In millions)

Years ended June 30,	2014	2013	2012
Cash Flows from Operating Activities:			
Net earnings	$ 1,515.9	$ 1,405.8	$ 1,388.5
Adjustments to reconcile net earnings to cash flows provided by operating activities:			
Depreciation and amortization	336.2	316.7	319.3
Deferred income taxes	(50.3)	24.7	36.1
Stock-based compensation expense	138.4	96.4	94.1
Net pension expense	29.7	43.7	36.7
Net realized gain from the sales of marketable securities	(16.5)	(28.6)	(24.4)
Net amortization of premiums and accretion of discounts on available-for-sale securities	94.4	79.3	60.0
Impairment losses on available-for-sale securities	—	—	5.8
Impairment losses on assets held for sale	—	—	2.2
Goodwill impairment	—	42.7	—
Gain on sale of assets	—	—	(66.0)
Gains on sales of buildings	—	(2.2)	—
Gain on sale of discontinued businesses, net of tax	(10.5)	(36.7)	—
Other	(21.6)	8.4	14.6
Changes in operating assets and liabilities, net of effects from acquisitions			
and divestitures of businesses:			
Increase in accounts receivable	(204.0)	(218.2)	(41.7)
Increase in other assets	(253.2)	(283.5)	(71.7)
Increase / (decrease) in accounts payable	9.7	(10.1)	10.3
Increase in accrued expenses and other liabilities	253.0	135.4	134.5
Operating activities of discontinued operations	0.2	3.4	11.9
Net cash flows provided by operating activities	1,821.4	1,577.2	1,910.2
Cash Flows from Investing Activities:			
Purchases of corporate and client funds marketable securities	(3,414.9)	(4,902.6)	(5,113.5)
Proceeds from the sales and maturities of corporate and client funds marketable securities	2,059.5	3,638.6	3,962.2
Net decrease / (increase) in restricted cash and cash equivalents held to satisfy client funds obligations	2,537.8	(161.0)	4,855.0
Capital expenditures	(216.6)	(174.6)	(140.1)
Additions to intangibles	(151.1)	(108.3)	(109.5)
Acquisitions of businesses, net of cash acquired	(25.7)	(42.0)	(265.7)
Proceeds from the sale of property, plant, and equipment and other assets	0.4	10.0	71.6
Investing activities of discontinued operations	(0.5)	(0.6)	—
Proceeds from the sale of businesses included in discontinued operations	24.4	161.4	—
Other	—	0.7	(16.4)
Net cash flows provided by (used in) investing activities	813.3	(1,578.4)	3,243.6
Cash Flows from Financing Activities:			
Net (decrease) / increase in client funds obligations	(2,989.5)	1,138.5	(3,726.6)
Payments of debt	(3.3)	(17.5)	(2.0)
Repurchases of common stock	(667.3)	(647.3)	(741.3)
Proceeds from stock purchase plan and exercises of stock options	219.1	235.3	250.0
Dividends paid	(883.1)	(805.5)	(739.7)
Net (repayments of) / proceeds from reverse repurchase agreements	(245.9)	245.9	—
Net proceeds from issuance of commercial paper	2,173.0	—	—
Other	38.8	1.6	5.7
Net cash flows (used in) / provided by financing activities	(2,358.2)	151.0	(4,953.9)

Effect of exchange rate changes on cash and cash equivalents	8.0	1.2	(41.2)
Net change in cash and cash equivalents	284.5	151.0	158.7
Cash and cash equivalents of continuing operations, beginning of period	1,699.1	1,548.1	1,389.4
Cash and cash equivalents of continuing operations, end of period	$ 1,983.6	$ 1,699.1	$ 1,548.1

See notes to the consolidated financial statements.

Notes to Consolidated Financial Statements

(Tabular dollars in millions, except per share amounts)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation. The accompanying Consolidated Financial Statements and footnotes thereto of Automatic Data Processing, Inc. and its subsidiaries (“ADP” or the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Intercompany balances and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the assets, liabilities, revenue, costs, expenses, and accumulated other comprehensive income that are reported in the Consolidated Financial Statements and footnotes thereto. Actual results may differ from those estimates.

B. Description of Business. The Company is a provider of technology-based outsourcing solutions to employers and vehicle retailers and manufacturers. The Company classifies its operations into the following reportable segments: Employer Services; Professional Employer Organization (“PEO”) Services; and Dealer Services. The primary components of the “Other” segment are the results of operations of ADP Indemnity (a wholly-owned captive insurance company that provides workers' compensation and employer's liability deductible reimbursement insurance protection for PEO Services worksite employees), non-recurring gains and losses, miscellaneous processing services, such as customer financing transactions, and certain charges and expenses that have not been allocated to the reportable segments, such as stock-based compensation expense, the goodwill impairment charge for the year ended June 30, 2013 ("fiscal 2013"), and direct and incremental costs incurred to consummate the planned separation of the Dealer Services business.

C. Revenue Recognition. Revenues are primarily attributable to fees for providing services (*e.g.*, Employer Services' payroll processing fees) as well as investment income on payroll funds, payroll tax filing funds and other Employer Services' client-related funds. The Company enters into agreements for a fixed fee per transaction (*e.g.,* number of payees or number of payrolls processed). Fees associated with services are recognized in the period services are rendered and earned under service arrangements with clients where service fees are fixed or determinable and collectability is reasonably assured. Service fees are determined based on written price quotations or service agreements having stipulated terms and conditions that do not require management to make any significant judgments or assumptions regarding any potential uncertainties.

PEO revenues are reported net of direct pass-through costs, which are costs billed and incurred for PEO Services worksite employees, primarily consisting of payroll wages and payroll taxes. Benefits, workers' compensation, and state unemployment tax fees for worksite employees are included in PEO revenues and the associated costs are included in operating expenses.

Interest income on collected but not yet remitted funds held for clients is recognized in revenues as earned, as the collection, holding and remittance of these funds are critical components of providing these services.

The Company also recognizes revenues associated with the sale of software systems and associated software licenses (*e.g.* , Dealer Services' dealer management systems). For a majority of our software sales arrangements, which provide hardware, software licenses, installation, and post-contract customer support, revenues are recognized ratably over the software license term, as vendor-specific objective evidence of the fair values of the individual elements in the sales arrangement does not exist.

The Company assesses the collectability of revenues based primarily on the creditworthiness of the customer as determined by credit checks and analysis, as well as the customer's payment history.

D. Cash and Cash Equivalents. Investment securities with a maturity of ninety days or less at the time of purchase are considered cash equivalents. The fair value of our cash and cash equivalents approximates carrying value.

E. Corporate Investments and Funds Held for Clients. All of the Company's marketable securities are considered to be “available-for-sale” and, accordingly, are carried on the Consolidated Balance Sheets at fair value. Unrealized gains and losses, net of the related tax effect, are excluded from earnings and are reported as a separate component of accumulated other comprehensive income on the Consolidated Balance Sheets until realized. Realized gains and losses from the sale of available-for-sale securities are determined on a specific-identification basis and are included in other income, net on the Statements of Consolidated Earnings.

If the fair value of an available-for-sale debt security is below its amortized cost, the Company assesses whether it intends to sell the security or if it is more likely than not the Company will be required to sell the security before recovery. If either of those two conditions are met, the Company would recognize a charge in earnings equal to the entire difference between the security's amortized cost basis and its fair value. If the Company does not intend to sell a security or it is not more likely than not that it will be required to sell the security before recovery, the unrealized loss is separated into an amount representing the credit loss, which is recognized in earnings, and the amount related to all other factors, which is recognized in accumulated other comprehensive income.

Premiums and discounts are amortized or accreted over the life of the related available-for-sale security as an adjustment to yield using the effective-interest method. Dividend and interest income are recognized when earned.

F. Fair Value Measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date and is based upon the Company’s principal or most advantageous market for a specific asset or liability.

U.S. GAAP provides for a three-level hierarchy of inputs to valuation techniques used to measure fair value, defined as follows:

Level 1 Fair value is determined based upon quoted prices for identical assets or liabilities that are traded in active markets.

Level 2 Fair value is determined based upon inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability, including:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in markets that are not active;
- inputs other than quoted prices that are observable for the asset or liability; or
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Fair value is determined based upon inputs that are unobservable and reflect the Company’s own assumptions about the assumptions that market participants would use in pricing the asset or liability based upon the best information available in the circumstances (e.g., internally derived assumptions surrounding the timing and amount of expected cash flows).

Available-for-sale securities included in Level 1 are valued using closing prices for identical instruments that are traded on active exchanges. Over 99% of the Company's available-for-sale securities included in Level 2 are valued utilizing inputs obtained from an independent pricing service. To determine the fair value of the Company's Level 2 investments, a variety of inputs are utilized, including benchmark yields, reported trades, non-binding broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data, new issue data, and monthly payment information. The Company reviews the values generated by the independent pricing service for reasonableness by comparing the valuations received from the independent pricing service to valuations from at least one other observable source. The Company has not adjusted the prices obtained from the independent pricing service. The Company has no available-for-sale securities included in Level 3.

The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair value hierarchy. In certain instances, the inputs used to measure fair value may meet the definition of more than one level of the fair value hierarchy. The significant input with the lowest level priority is used to determine the applicable level in the fair value hierarchy.

G. Long-term Receivables. Long-term receivables primarily relate to notes receivable from the sale of computer systems to auto, truck, motorcycle, marine, recreational vehicle, and heavy equipment retailers and manufacturers. Unearned income from finance receivables represents the excess of gross receivables over the sales price of the computer systems financed. Unearned income is amortized using the effective-interest method to maintain a constant rate of return over the term of each contract.

Notes receivable aged over 30 days past due are considered delinquent and notes receivable aged over 60 days past due with known collection issues are placed on non-accrual status. Interest revenue is not recognized on notes receivable while on non-accrual status. Cash payments received on non-accrual receivables are applied towards the principal. When notes receivable on non-accrual status are again less than 60 days past due, recognition of interest revenue for notes receivable is resumed.

The allowance for doubtful accounts on long-term receivables is the Company's best estimate of the amount of probable credit losses related to the Company's existing note receivables.

H. Property, Plant and Equipment. Property, plant and equipment is stated at cost and depreciated over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated useful lives of the improvements. The estimated useful lives of assets are primarily as follows:

Data processing equipment	2 to 5 years
Buildings	20 to 40 years
Furniture and fixtures	3 to 7 years

I. Goodwill. Goodwill is not amortized, but is instead tested for impairment annually and whenever events or changes in circumstances indicate the carrying value may not be recoverable. The Company performs this impairment test by first comparing the fair value of each reporting units to its carrying amount. If the carrying value for a reporting unit exceeds its fair value, the Company would then compare the implied fair value of goodwill to the carrying amount in order to determine the amount of the impairment, if any. The Company determines the estimated fair value of its reporting units using an equal weighted blended approach, which combines the income approach, which is the present value of expected cash flows, discounted at a risk-adjusted weighted-average cost of capital; and the market approach, which is based on using market multiples of companies in similar lines of business. Significant assumptions used in determining the fair value of our reporting units include projected revenue growth rates, profitability projections, working capital assumptions, the weighted average cost of capital, the determination of appropriate market comparison companies, and terminal growth rates. The Company had $3,113.8 million of goodwill as of June 30, 2014 . Based on the fair value analysis completed in the fourth quarter of 2014 , the Company concluded that goodwill fair value exceeded the carrying value for all reporting units. In fiscal 2013, the Company recognized a $42.7 million impairment on its AdvancedMD reporting unit.

J. Impairment of Long-Lived Assets. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

K. Foreign Currency Translation. The net assets of the Company's foreign subsidiaries are translated into U.S. dollars based on exchange rates in effect for each period, and revenues and expenses are translated at average exchange rates in the periods. Gains or losses from balance sheet translation are included in accumulated other comprehensive income on the Consolidated Balance Sheets. Currency transaction gains or losses, which are included in the results of operations, are immaterial for all periods presented.

L. Foreign Currency Risk Management Programs and Derivative Financial Instruments. The Company transacts business in various foreign jurisdictions and is therefore exposed to market risk from changes in foreign currency exchange rates that could impact its consolidated results of operations, financial position, or cash flows. The Company manages its exposure to these market risks through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company does not use derivative financial instruments for trading purposes.

Derivative financial instruments are measured at fair value and are recognized as assets or liabilities on the Consolidated Balance Sheets with changes in the fair value of the derivatives recognized in either net earnings from continuing operations or accumulated other comprehensive income, depending on the timing and designated purpose of the derivative.

There were no derivative financial instruments outstanding at June 30, 2014 or June 30, 2013 .

M. Earnings per Share (“EPS”). The calculations of basic and diluted EPS are as follows:

Years ended June 30,	Basic	Effect of Employee Stock Option Shares	Effect of Employee Restricted Stock Shares	Diluted
2014				
Net earnings from continuing operations	$ 1,502.6			$ 1,502.6
Weighted average shares (in millions)	478.9	2.7	1.5	483.1
EPS from continuing operations	$ 3.14			$ 3.11
2013				
Net earnings from continuing operations	$ 1,358.1			$ 1,358.1
Weighted average shares (in millions)	482.7	3.3	1.1	487.1
EPS from continuing operations	$ 2.81			$ 2.79
2012				
Net earnings from continuing operations	$ 1,375.2			$ 1,375.2
Weighted average shares (in millions)	487.3	3.8	1.1	492.2
EPS from continuing operations	$ 2.82			$ 2.79

Options to purchase 1.5 million , 1.2 million , and 0.9 million shares of common stock for the year ended June 30, 2014 ("fiscal 2014 "), fiscal 2013 , and the year ended June 30, 2012 ("fiscal 2012 "), respectively, were excluded from the calculation of diluted earnings per share because their exercise prices exceeded the average market price of outstanding common shares for the respective periods.

N. Stock-Based Compensation. The Company recognizes stock-based compensation expense in net earnings based on the fair value of the award on the date of the grant. The Company determines the fair value of stock options issued using a binomial option-pricing model. The binomial option-pricing model considers a range of assumptions related to volatility, dividend yield, risk-free interest rate, and employee exercise behavior. Expected volatilities utilized in the binomial option-pricing model are based on a combination of implied market volatilities, historical volatility of the Company's stock price, and other factors. Similarly, the dividend yield is based on historical experience and expected future changes. The risk-free rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The binomial option-pricing model also incorporates exercise and forfeiture assumptions based on an analysis of historical data. The expected life of a stock option grant is derived from the output of the binomial model and represents the period of time that options granted are expected to be outstanding.

O. Internal Use Software. Expenditures for major software purchases and software developed or obtained for internal use are capitalized and amortized over a three to five-year period on a straight-line basis. The Company's policy provides for the capitalization of external direct costs of materials and services associated with developing or obtaining internal use computer software. In addition, the Company also capitalizes certain payroll and payroll-related costs for employees who are directly associated with internal use computer software projects. The amount of capitalizable payroll costs with respect to these employees is limited to the time directly spent on such projects. Costs associated with preliminary project stage activities, training, maintenance, and all other post-implementation stage activities are expensed as incurred. The Company also expenses internal costs related to minor upgrades and enhancements, as it is impractical to separate these costs from normal maintenance activities.

P. Computer Software to be Sold, Leased, or Otherwise Marketed. The Company capitalizes certain costs of computer software to be sold, leased, or otherwise marketed. The Company's policy provides for the capitalization of all software production costs upon reaching technological feasibility for a specific product. Technological feasibility is attained when software products have a completed working model whose consistency with the overall product design has been confirmed by testing. Costs incurred prior to the establishment of technological feasibility are expensed as incurred. The establishment of technological feasibility requires judgment by management and in many instances is only attained a short time prior to the general release of the software. Upon the general release of the software product to customers, capitalization ceases and such costs are amortized over a three-year period on a straight-line basis. Maintenance-related costs are expensed as incurred.

Q. Income Taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. The Company is subject to the continuous examination of our income tax returns by the Internal Revenue Service (“IRS”) and other tax authorities.

There is a financial statement recognition threshold and measurement attribute for tax positions taken or expected to be taken in a tax return. Specifically, the likelihood of an entity's tax benefits being sustained must be “more likely than not,” assuming that these positions will be examined by taxing authorities with full knowledge of all relevant information prior to recording the related tax benefit in the financial statements. If a tax position drops below the “more likely than not” standard, the benefit can no longer be recognized. Assumptions, judgment, and the use of estimates are required in determining if the “more likely than not” standard has been met when developing the provision for income taxes. As of June 30, 2014 and 2013 , the Company's liabilities for unrecognized tax benefits, which include interest and penalties, were $56.7 million and $70.7 million , respectively.

If certain pending tax matters settle within the next twelve months, the total amount of unrecognized tax benefits may increase or decrease for all open tax years and jurisdictions. Based on current estimates, favorable settlements related to various jurisdictions and tax periods could increase earnings by up to $10 million . Audit outcomes and the timing of audit settlements are subject to significant uncertainty. We continually assess the likelihood and amount of potential adjustments and adjust the income tax provision, the current tax liability, and deferred taxes in the period in which the facts that give rise to a revision become known.

R. Workers' Compensation Costs. The Company employs a third-party actuary to assist in determining the estimated claim liability related to workers' compensation and employer's liability coverage for PEO Services worksite employees. In estimating ultimate loss rates, we utilize historical loss experience, exposure data, and actuarial judgment, together with a range of inputs which are primarily based upon the worksite employee's job responsibilities, their location, the historical frequency and severity of workers' compensation claims, and an estimate of future cost trends. For each reporting period, changes in the actuarial assumptions resulting from changes in actual claims experience and other trends are incorporated into our workers' compensation claims cost estimates. The Company has secured specific per occurrence insurance that caps the exposure for each claim at $1 million per occurrence, and has also secured aggregate stop loss insurance that caps aggregate losses at a certain level in each policy year. Additionally, for fiscal 2013 and 2014, the Company entered into reinsurance arrangements to cover substantially all losses incurred by the Company for the fiscal 2013 and 2014 policy years up to the $1 million per occurrence related to workers' compensation and employer's liability deductible reimbursement insurance protection for PEO services worksite employees.

S. Recently Issued Accounting Pronouncements. In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers," which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 requires an entity to recognize revenue depicting the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 will also result in enhanced revenue related disclosures. ASU 2014-09 is effective for fiscal years, and interim reporting periods within those years, beginning after December 15, 2016. The Company has not yet determined the impact of ASU 2014-09 on its consolidated results of operations, financial condition, or cash flows.

In April 2014, the FASB issued ASU 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." ASU 2014-08 requires that a disposal representing a strategic shift that has (or will have) a major effect on an entity’s financial results or a business activity classified as held for sale should be reported as discontinued operations. ASU 2014-08 also expands the disclosure requirements for discontinued operations and adds new disclosures for individually significant dispositions that do not qualify as discontinued operations. ASU 2014-08 is effective prospectively for fiscal years, and interim reporting periods within those years, beginning after December 15, 2014. The impact of ASU 2014-08 is dependent upon the nature of dispositions, if any, after adoption.

In July 2013, the FASB issued ASU 2013-11, “Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists.” ASU 2013-11 requires netting of unrecognized tax benefits against a deferred tax asset for a loss or other carryforward that would apply in settlement of the uncertain tax position. ASU 2013-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Retrospective adoption is permitted. The adoption of ASU 2013-11 will not have a material impact on the Company's consolidated results of operations, financial condition, or cash flows.

In July 2013, the Company adopted ASU 2013-02, “Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income.” ASU 2013-02 requires entities to disclose the amount of income (loss) reclassified out of accumulated other comprehensive income to each respective line item on the income statement. The guidance allows companies to elect whether to disclose the reclassification either on the face of the income statement or in the notes to the financial statements, including cross-referencing other disclosures which provide additional details about these amounts. The Company has elected to disclose the reclassification in the notes to the financial statements with cross-references to other disclosures which provide additional details about the amounts. The adoption of ASU 2013-02 did not have an impact on the Company's consolidated results of operations, financial condition, or cash flows.

NOTE 2. SEPARATION OF DEALER SERVICES

On April 10, 2014 , the Company announced that its Board of Directors approved a plan to spin-off the Company’s Dealer Services business into an independently publicly-traded company through a tax-free spin-off of 100% of Dealer Services to ADP shareholders. The Company has requested an opinion from Paul, Weiss, Rifkind, Wharton & Garrison LLP, its counsel, to the effect that, based on certain facts, assumptions, representations and undertakings set forth in the request, the distribution will qualify as a transaction that is tax-free under Section 355 and other related provisions of the Internal Revenue Code. The distribution is conditioned upon, among other things, the receipt by the Company of such a favorable opinion of counsel confirming the distribution’s tax-free status. The separation is subject to other conditions, including necessary regulatory approvals. ADP has also requested rulings from the IRS and other jurisdictions with respect to certain discrete and significant issues arising in connection with the transactions being effected in connection with the separation and distribution.

On June 10, 2014 , Dealer Services (under the name of “Dealer Services Holdings LLC”) filed a registration statement on Form 10 with the Securities and Exchange Commission. Additionally, Dealer Services Holdings LLC filed an amendment to its Form 10 on July 25, 2014. The financial presentation of Dealer Services in the Form 10 differs from the financial presentation of the Dealer Services segment in ADP’s financial statements due to adjustments made in the Form 10 to reflect the additional corporate expenses and other operating costs of Dealer Services as if it were a stand-alone company.

Upon completion of the spin-off, ADP shareholders will have separate ownership interests in ADP and Dealer Services. ADP and Dealer Services will be two distinct businesses with separate ownership and management. To facilitate Dealer Services’ separation from ADP, ADP will provide certain services to Dealer Services during a transition period following completion of the spin-off. ADP expects to incur approximately $40.0 million to $50.0 million of incremental separation costs during the fiscal year ended June 30, 2015 ("fiscal 2015") related to the spin-off. Incremental costs associated with the spin-off of $14.9 million for fiscal 2014 are included in separation costs on the Statements of Consolidated Earnings and are principally related to professional services.

NOTE 3. OTHER INCOME, NET

Other income, net consists of the following:

Years ended June 30,	2014	2013	2012
Interest income on corporate funds	$ (56.2)	$ (64.5)	$ (85.2)
Realized gains on available-for-sale securities	(20.4)	(32.1)	(32.1)
Realized losses on available-for-sale securities	3.9	3.5	7.7
Impairment losses on available-for-sale securities	—	—	5.8
Impairment losses on assets held for sale	—	—	2.2
Gains on sales of buildings	—	(2.2)	—
Gain on sale of assets	—	—	(66.0)
Other, net	(0.2)	(0.9)	(3.2)
Other income, net	$ (72.9)	$ (96.2)	$ (170.8)

During fiscal 2013, the Company completed the sale of two buildings that were previously classified as assets held for sale on the Consolidated Balance Sheets and, as a result, recorded gains of $2.2 million in other income, net, on the Statements of Consolidated Earnings.

During fiscal 2012, the Company sold assets related to rights and obligations to resell a third-party expense management platform, and, as a result, recorded a gain of $66.0 million in other income, net, on the Statements of Consolidated Earnings.

During fiscal 2012, the Company completed the sale of two buildings for their combined carrying value of $6.9 million , net of selling costs. The Company had previously classified these assets as assets held for sale on the Consolidated Balance Sheets and recognized impairment losses within other income, net on the Statements of Consolidated Earnings of $2.2 million in fiscal 2012.

During fiscal 2012, the Company concluded that it had the intent to sell certain available-for-sale securities with unrealized losses of $5.8 million . As such, the Company recorded an impairment charge of $5.8 million in other income, net, on the Statements of Consolidated Earnings.

NOTE 4. ACQUISITIONS

Assets acquired and liabilities assumed in business combinations were recorded on the Company's Consolidated Balance Sheets as of the respective acquisition dates based upon their estimated fair values at such dates. The results of operations of businesses acquired by the Company have been included in the Statements of Consolidated Earnings since their respective dates of acquisition. The excess of the purchase price over the estimated fair values of the underlying assets acquired and liabilities assumed was allocated to goodwill. In certain circumstances, the allocations of the excess purchase price are based upon preliminary estimates and assumptions and subject to revision when the Company receives final information, including appraisals and other analysis. Accordingly, the measurement period for such purchase price allocations will end when the information, or the facts and circumstances, becomes available, but will not exceed twelve months.

The Company acquired two businesses during fiscal 2014 for approximately $28.5 million , net of cash acquired. As of June 30, 2014 , the Company had not yet finalized the purchase price allocations for these two acquisitions.

The Company acquired two businesses during fiscal 2013 for approximately $40.4 million , net of cash acquired. The Company finalized the purchase price allocation for these two acquisitions during fiscal 2014 and adjusted the preliminary values allocated to certain assets and liabilities in order to reflect final information received.

The Company acquired seven businesses in fiscal 2012 for an aggregate purchase price of approximately $292.3 million , net of cash acquired. These acquisitions resulted in approximately $182.6 million of goodwill. Intangible assets acquired, which total approximately $90.0 million for these seven acquisitions, included customer contracts and lists, software, and trademarks that are being amortized over a weighted average life of approximately 11 years .

The Company reviews estimates of the fair value of contingent consideration ("earn-out") expected to be paid in the event that certain performance metrics are achieved over an earn-out period and makes adjustments when facts and circumstances warrant. The Company made contingent payments relating to previously consummated acquisitions of $3.5 million , $14.5 million , and $2.8 million during fiscal 2014 , 2013 , and 2012 .

The acquisitions discussed above for fiscal 2014 , 2013 , and 2012 were not material, either individually or in the aggregate, to the Company's operations, financial position, or cash flows.

NOTE 5. DIVESTITURES

On February 28, 2014 , the Company completed the sale of its Occupational Health and Safety services business ("OHS") for a pre-tax gain of $15.6 million , less costs to sell, and recorded such gain within earnings from discontinued operations on the Statements of Consolidated Earnings. In connection with the disposal of OHS, the Company classified the results of this business as discontinued operations for all periods presented. OHS was previously reported in the Employer Services segment.

On December 17, 2012 , the Company completed the sale of its Taxware Enterprise Service business ("Taxware") for a pre-tax gain of $58.8 million , less costs to sell, and recorded such gain within earnings from discontinued operations on the Statements of Consolidated Earnings. In connection with the disposal of Taxware, the Company has classified the results of this business as discontinued operations for all periods presented. Taxware was previously reported in the Employer Services segment.

Operating results for discontinued operations were as follows:

Years ended June 30,	2014	2013	2012
Revenues	$ 13.0	$ 46.3	$ 69.8
Earnings from discontinued operations before income taxes	3.9	16.2	20.4
Provision for income taxes	1.1	5.2	7.1
Net earnings from discontinued operations before gain on disposal of discontinued operations	2.8	11.0	13.3
Gain on disposal of discontinued operations, less costs to sell	15.6	58.8	—
Provision for income taxes	5.1	22.1	—
Net gain on disposal of discontinued operations	10.5	36.7	—
Net earnings from discontinued operations	$ 13.3	$ 47.7	$ 13.3

There were no assets or liabilities of discontinued operations as of June 30, 2014 . The following are the major classes of assets and liabilities related to the discontinued operations as of June 30, 2013 .

	June 30, 2013
Assets:	
Accounts receivable, net	$ 3.0
Goodwill	13.4
Other assets	0.3
Total assets	$ 16.7
Liabilities:	
Accounts payable	$ 0.8
Accrued expenses and other current liabilities	0.3
Accrued payroll and payroll related expenses	0.8
Deferred revenues	1.8
Income taxes payable	0.5
Total liabilities	$ 4.2

NOTE 6. CORPORATE INVESTMENTS AND FUNDS HELD FOR CLIENTS

Corporate investments and funds held for clients at June 30, 2014 and 2013 were as follows:

	June 30, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (A)
Type of issue:				
Money market securities and other cash equivalents	$ 3,171.4	$ —	$ —	$ 3,171.4
Available-for-sale securities:				
Corporate bonds	8,720.1	171.1	(15.0)	8,876.2
U.S. Treasury and direct obligations of U.S. government agencies	6,051.4	107.3	(11.7)	6,147.0
Asset-backed securities	1,822.6	6.1	(6.9)	1,821.8
Canadian government obligations and Canadian government agency obligations	1,031.4	7.6	(0.8)	1,038.2
Canadian provincial bonds	747.7	25.3	(2.5)	770.5
Municipal bonds	543.3	19.4	(0.5)	562.2
Other securities	915.6	25.7	(0.7)	940.6
Total available-for-sale securities	19,832.1	362.5	(38.1)	20,156.5
Total corporate investments and funds held for clients	$ 23,003.5	$ 362.5	$ (38.1)	$ 23,327.9

(A) Included within available-for-sale securities are corporate investments with fair values of $2,086.3 million and funds held for clients with fair values of $18,070.2 million . All available-for-sale securities were included in Level 2.

	June 30, 2013			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (B)
Type of issue:				
Money market securities and other cash equivalents	$ 5,431.2	$ —	$ —	$ 5,431.2
Available-for-sale securities:				
Corporate bonds	7,868.3	166.2	(56.7)	7,977.8
U.S. Treasury and direct obligations of U.S. government agencies	5,983.7	152.6	(37.4)	6,098.9
Asset-backed securities	1,374.1	5.3	(19.7)	1,359.7
Canadian government obligations and Canadian government agency obligations	998.2	10.7	(4.5)	1,004.4
Canadian provincial bonds	695.7	20.7	(5.6)	710.8
Municipal bonds	536.9	16.7	(4.4)	549.2
Other securities	1,094.4	46.3	(2.8)	1,137.9
Total available-for-sale securities	18,551.3	418.5	(131.1)	18,838.7
Total corporate investments and funds held for clients	$ 23,982.5	$ 418.5	$ (131.1)	$ 24,269.9

(B) Included within available-for-sale securities are corporate investments with fair values of $342.0 million and funds held for clients with fair values of $18,496.7 million . At June 30, 2013 Level 1 securities included $9.5 million of corporate investments classified within "Other securities," all remaining available-for-sale securities were included in Level 2.

For a description of the fair value hierarchy and the Company's fair value methodologies, including the use of an independent third-party pricing service, see Note 1 "Summary of Significant Accounting Policies". The Company did not transfer any assets

between Levels during the years ended June 30, 2014 or 2013 . In addition, the Company did not adjust the prices obtained from the independent pricing service. The Company has no available-for-sale securities included in Level 1 or Level 3 as of June 30, 2014.

The unrealized losses and fair values of available-for-sale securities that have been in an unrealized loss position for a period of less than and greater than 12 months as of June 30, 2014 , are as follows:

	June 30, 2014					
	Securities in unrealized loss position less than 12 months		Securities in unrealized loss position greater than 12 months		Total	
	Unrealized losses	Fair market value	Unrealized losses	Fair market value	Gross unrealized losses	Fair market value
Corporate bonds	$ (0.9)	$ 313.8	$ (14.1)	$ 1,026.0	$ (15.0)	$ 1,339.8
U.S. Treasury and direct obligations of U.S. government agencies	(0.3)	84.6	(11.4)	944.8	(11.7)	1,029.4
Asset-backed securities	(0.7)	325.4	(6.2)	555.5	(6.9)	880.9
Canadian government obligations and Canadian government agency obligations	(0.8)	127.2	—	—	(0.8)	127.2
Canadian provincial bonds	(0.9)	75.2	(1.6)	118.6	(2.5)	193.8
Municipal bonds	(0.1)	42.0	(0.4)	22.6	(0.5)	64.6
Other securities	—	13.9	(0.7)	45.7	(0.7)	59.6
	$ (3.7)	$ 982.1	$ (34.4)	$ 2,713.2	$ (38.1)	$ 3,695.3

The unrealized losses and fair values of available-for-sale securities that have been in an unrealized loss position for a period of less than and greater than 12 months as of June 30, 2013 are as follows:

	June 30, 2013					
	Securities in unrealized loss position less than 12 months		Securities in unrealized loss position greater than 12 months		Total	
	Unrealized losses	Fair market value	Unrealized losses	Fair market value	Gross unrealized losses	Fair market value
Corporate bonds	$ (56.7)	$ 2,724.9	$ —	$ —	$ (56.7)	$ 2,724.9
U.S. Treasury and direct obligations of U.S. government agencies	(37.4)	1,374.6	—	—	(37.4)	1,374.6
Asset-backed securities	(19.7)	1,060.1	—	—	(19.7)	1,060.1
Canadian government obligations and Canadian government agency obligations	(4.5)	444.7	—	—	(4.5)	444.7
Canadian provincial bonds	(5.6)	239.7	—	—	(5.6)	239.7
Municipal bonds	(4.4)	188.7	—	—	(4.4)	188.7
Other securities	(2.8)	109.3	—	—	(2.8)	109.3
	$ (131.1)	$ 6,142.0	$ —	$ —	$ (131.1)	$ 6,142.0

At June 30, 2014 , Corporate bonds include investment-grade debt securities, which include a wide variety of issuers, industries, and sectors, primarily carry credit ratings of A and above, and have maturities ranging from July 2014 to June 2023 . U.S. Treasury and direct obligations of U.S. government agencies primarily include debt directly issued by Federal Home Loan Banks and Federal Farm Credit Banks with fair values of $4,456.0 million and $1,223.7 million , respectively. U.S. Treasury and direct obligations of U.S. government agencies represent senior, unsecured, non-callable debt that primarily carry ratings of Aaa by Moody's and AA+ by Standard & Poor's with maturities ranging from July 2014 through February 2024 .

At June 30, 2014 , asset-backed securities include AAA rated senior tranches of securities with predominately prime collateral of fixed rate credit card, auto loan, and rate reduction receivables with fair values of $1,229.7 million , $364.9 million , and $157.7 million , respectively. These securities are collateralized by the cash flows of the underlying pools of receivables. The primary risk associated with these securities is the collection risk of the underlying receivables. All collateral on such asset-backed securities has performed as expected through June 30, 2014 .

At June 30, 2014 , other securities and their fair value primarily represent: AA and AAA rated sovereign bonds of $412.1 million , AA and AAA rated supranational bonds of $375.5 million , AA rated mortgage-backed securities of $97.2 million , and AAA rated commercial mortgage-backed securities of $48.3 million that are guaranteed by Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac"). The Company's mortgage-backed securities represent an undivided beneficial ownership interest in a group or pool of one or more residential mortgages. These securities are collateralized by the cash flows of 15 -year and 30 -year residential mortgages and are guaranteed by Fannie Mae and Freddie Mac as to the timely payment of principal and interest.

Classification of corporate investments on the Consolidated Balance Sheets is as follows:

June 30,	2014	2013
Corporate investments:		
Cash and cash equivalents	$ 1,983.6	$ 1,699.1
Short-term marketable securities	2,032.2	28.0
Long-term marketable securities	54.1	314.0
Total corporate investments	$ 4,069.9	$ 2,041.1

Funds held for clients represent assets that, based upon the Company's intent, are restricted for use solely for the purposes of satisfying the obligations to remit funds relating to the Company’s payroll and payroll tax filing services, which are classified as client funds obligations on our Consolidated Balance Sheets.

Funds held for clients have been invested in the following categories:

June 30,	2014	2013
Funds held for clients:		
Restricted cash and cash equivalents held to satisfy client funds obligations	$ 1,187.8	$ 3,732.1
Restricted short-term marketable securities held to satisfy client funds obligations	1,312.5	1,407.7
Restricted long-term marketable securities held to satisfy client funds obligations	16,757.7	17,089.0
Total funds held for clients	$ 19,258.0	$ 22,228.8

Client funds obligations represent the Company's contractual obligations to remit funds to satisfy clients' payroll and tax payment obligations and are recorded on the Consolidated Balance Sheets at the time that the Company impounds funds from clients. The client funds obligations represent liabilities that will be repaid within one year of the balance sheet date. The Company has reported client funds obligations as a current liability on the Consolidated Balance Sheets totaling $18,963.4 million and $21,956.3 million as of June 30, 2014 and June 30, 2013 , respectively. The Company has classified funds held for clients as a current asset since these funds are held solely for the purposes of satisfying the client funds obligations. The Company has reported the cash flows related to the purchases of corporate and client funds marketable securities and related to the proceeds from the sales and maturities of corporate and client funds marketable securities on a gross basis in the investing section of the Statements of Consolidated Cash Flows. The Company has reported the cash inflows and outflows related to client funds investments with original maturities of 90 days or less on a net basis within net increase in restricted cash and cash equivalents and other restricted assets held to satisfy client funds obligations in the investing section of the Statements of Consolidated Cash Flows. The Company has reported the cash flows related to the cash received from and paid on behalf of clients on a net basis within net increase in client funds obligations in the financing section of the Statements of Consolidated Cash Flows.

Approximately 82% of the available-for-sale securities held a AAA or AA rating at June 30, 2014 , as rated by Moody's, Standard & Poor's and, for Canadian securities, Dominion Bond Rating Service. All available-for-sale securities were rated as investment grade at June 30, 2014 .

Expected maturities of available-for-sale securities at June 30, 2014 are as follows:

Due in one year or less	$ 3,344.6
Due after one year to two years	4,600.0
Due after two years to three years	3,282.1
Due after three years to four years	2,942.1
Due after four years	5,987.7
Total available-for-sale securities	$ 20,156.5

NOTE 7. RECEIVABLES

Accounts receivable, net, includes the Company's trade receivables, which are recorded based upon the amount the Company expects to receive from its clients, net of an allowance for doubtful accounts. The Company's receivables also include notes receivable for the financing of the sale of computer systems, primarily from auto, truck, motorcycle, marine, recreational vehicle, and heavy equipment retailers and manufacturers. Notes receivable are recorded based upon the amount the Company expects to receive from its clients, net of an allowance for doubtful accounts and unearned income. The allowance for doubtful accounts is the Company's best estimate of probable credit losses related to trade receivables and notes receivable based upon the aging of the receivables, historical collection data, internal assessments of credit quality and the economic conditions in the automobile industry, as well as in the economy as a whole. The Company charges off uncollectable amounts against the reserve in the period in which it determines they are uncollectable. Unearned income on notes receivable is amortized using the effective interest method.

The Company’s receivables, whose carrying value approximates fair value, are as follows:

	June 30, 2014		June 30, 2013	
	Current	Long-term	Current	Long-term
Trade receivables	$ 1,767.3	$ —	$ 1,561.1	$ —
Notes receivable	94.8	169.9	91.0	154.7
Less:				
Allowance for doubtful accounts - trade receivables	(51.0)	—	(44.9)	—
Allowance for doubtful accounts - notes receivable	(4.7)	(8.3)	(5.3)	(9.0)
Unearned income - notes receivable	(6.0)	(6.2)	(6.6)	(7.0)
	$ 1,800.4	$ 155.4	$ 1,595.3	$ 138.7

Long-term receivables at June 30, 2014 mature as follows:

2016	$ 73.3
2017	$ 52.6
2018	$ 31.3
2019	$ 12.7
Total	$ 169.9

As of June 30, 2014 , there are no notes receivable that are specifically reserved; the entire notes receivable reserve balance is comprised of non-specific reserves. As of June 30, 2013 , the notes receivable balances with specific and non-specific reserves and the specific and non-specific reserves associated with those balances are as follows:

	June 30, 2013			
	Notes Receivable		Reserve	
	Current	Long-term	Current	Long-term
Specifically reserved	$ 0.3	$ 0.5	$ 0.3	$ 0.5
Non-specifically reserved	90.7	154.2	5.0	8.5
	$ 91.0	$ 154.7	$ 5.3	$ 9.0

The rollforward of the allowance for doubtful accounts related to notes receivable is as follows:

	Current	Long-term
Balance at June 30, 2012	$ 5.4	$ 8.8
Net incremental provision	0.8	1.2
Recoveries	—	0.2
Chargeoffs	(0.9)	(1.2)
Balance at June 30, 2013	$ 5.3	$ 9.0
Net incremental provision	(0.1)	(0.1)
Recoveries	0.2	0.2
Chargeoffs	(0.7)	(0.8)
Balance at June 30, 2014	$ 4.7	$ 8.3

The allowance for doubtful accounts as a percentage of notes receivable was approximately 5% as of June 30, 2014 and 6% as of June 30, 2013 .

On an ongoing basis, the Company evaluates the credit quality of its financing receivables, utilizing aging of receivables, collection experience and charge-offs. In addition, the Company evaluates economic conditions in the auto industry and specific dealership matters, such as bankruptcy. As events related to a specific client dictate, the credit quality of a client is reevaluated. Approximately 100% of notes receivable were current at June 30, 2014 and 2013 .

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at cost and accumulated depreciation at June 30, 2014 and 2013 are as follows:

June 30,	2014	2013
Property, plant, and equipment:		
Land and buildings	$ 749.2	$ 731.7
Data processing equipment	863.8	849.5
Furniture, leaseholds, and other	512.7	459.5
	2,125.7	2,040.7
Less: accumulated depreciation	(1,348.3)	(1,312.1)
Property, plant, and equipment, net	$ 777.4	$ 728.6

Depreciation of property, plant and equipment was $163.2 million , $149.9 million , and $146.8 million for fiscal 2014 , 2013 , and 2012 , respectively.

NOTE 9. GOODWILL AND INTANGIBLE ASSETS, NET

Changes in goodwill for the fiscal year ended June 30, 2014 and 2013 are as follows:

	Employer Services	PEO Services	Dealer Services	Total
Balance at June 30, 2012	$ 1,874.2	$ 4.8	$ 1,169.6	$ 3,048.6
Additions and other adjustments, net	29.4	—	0.8	30.2
Currency translation adjustments	4.5	—	(1.4)	3.1
Goodwill impairment	(42.7)	—	—	(42.7)
Balance at June 30, 2013	$ 1,865.4	$ 4.8	$ 1,169.0	$ 3,039.2
Additions and other adjustments, net	0.3	—	23.8	24.1
Currency translation adjustments	16.7	—	33.8	50.5
Balance at June 30, 2014	$ 1,882.4	$ 4.8	$ 1,226.6	$ 3,113.8

In fiscal 2014, the Company performed the required annual impairment tests of goodwill and determined that there was no impairment.

During the fourth quarter of fiscal 2013, the Company recorded an impairment charge of $42.7 million related to the ADP AdvancedMD reporting unit. The goodwill impairment was due to a decrease in the estimated fair value of the business resulting from a decline in the new business bookings growth and profitability projections of the business.

The remeasurement of goodwill is classified as a Level 3 fair value assessment due to the significance of unobservable inputs developed using Company-specific information. The Company determined the fair value utilizing the income approach and the market approach. Under the income approach, the Company calculated the fair value based on the present value of the estimated cash flows. Cash flow projections were based on management's estimates of revenue growth rates and net operating income margins, taking into consideration market and industry conditions. The discount rate used is based on the weighted-average cost of capital adjusted for the risk, size premium, and business specific characteristics related to the business's ability to execute on the projected cash flows. Under the market approach, the Company evaluated the fair value based on market multiples of revenue and earnings derived from comparable publicly-traded companies with similar operating and investment characteristics as the reporting unit. The unobservable inputs used to measure the fair value included projected revenue growth rates, profitability projections, working capital assumptions, the weighted average cost of capital, the determination of appropriate market comparison companies, and terminal growth rates.

In fiscal 2013, since the annual impairment test indicated that ADP AdvancedMD's carrying value exceeded its estimated fair value, a second phase of the goodwill impairment test ("Step 2") was performed specific to this business. Under Step 2, the fair values of all assets and liabilities were estimated, including tangible assets, existing technology, customer lists, and trademarks for the purpose of deriving an estimate of the implied fair value of goodwill. The implied fair value of goodwill was then compared to the recorded goodwill to determine the amount of impairment. Assumptions used in measuring the value of these assets and liabilities included the discount rates, royalty rates, and attrition rates used in valuing the intangible assets. Upon completion of the annual test, the ADP AdvancedMD reporting unit was determined to be impaired. ADP AdvancedMD is currently reported in our Employer Services segment.

There were no accumulated goodwill impairments as of June 30, 2012.

Components of intangible assets, net, are as follows:

June 30,	2014	2013
Intangible assets:		
Software and software licenses	$ 1,626.9	$ 1,511.1
Customer contracts and lists	870.1	848.9
Other intangibles	241.4	241.7
	2,738.4	2,601.7
Less accumulated amortization:		
Software and software licenses	(1,318.4)	(1,239.5)
Customer contracts and lists	(591.2)	(534.3)
Other intangibles	(196.5)	(184.7)
	(2,106.1)	(1,958.5)
Intangible assets, net	$ 632.3	$ 643.2

Other intangibles consist primarily of purchased rights, covenants, patents, and trademarks (acquired directly or through acquisitions). All of the intangible assets have finite lives and, as such, are subject to amortization. The weighted average remaining useful life of the intangible assets is 7 years (4 years for software and software licenses, 9 years for customer contracts and lists, and 7 years for other intangibles). Amortization of intangible assets was $173.0 million , $166.8 million , and $172.5 million for fiscal 2014 , 2013 , and 2012 , respectively.

Estimated future amortization expenses of the Company's existing intangible assets are as follows:

		Amount
Twelve months ending June 30, 2015	$	162.9
Twelve months ending June 30, 2016	$	132.4
Twelve months ending June 30, 2017	$	96.6
Twelve months ending June 30, 2018	$	56.8
Twelve months ending June 30, 2019	$	45.1

NOTE 10. SHORT TERM FINANCING

The Company has a $2.25 billion , 364 -day credit agreement with a group of lenders that matures in June 2015 . In addition, the Company has a five -year $3.25 billion credit facility maturing in June 2019 that contains an accordion feature under which the aggregate commitment can be increased by $500.0 million , subject to the availability of additional commitments. The Company also has an existing $2.0 billion five -year credit facility that matures in June 2018 that also contains an accordion feature under which the aggregate commitment can be increased by $500.0 million , subject to the availability of additional commitments. The interest rate applicable to committed borrowings is tied to LIBOR, the effective federal funds rate, or the prime rate depending on the notification provided by the Company to the syndicated financial institutions prior to borrowing. The Company is also required to pay facility fees on the credit agreements. The primary uses of the credit facilities are to provide liquidity to the commercial paper program and funding for general corporate purposes, if necessary. The Company had no borrowings through June 30, 2014 under the credit agreements.

The Company’s U.S. short-term funding requirements related to client funds are sometimes obtained through a commercial paper program, which provides for the issuance of up to $7.25 billion in aggregate maturity value of commercial paper, rather than liquidating previously-collected client funds that have already been invested in available-for-sale securities. In July 2014, the Company increased the U.S. short-term commercial paper program to provide for the issuance of up to $7.5 billion in aggregate maturity value. The Company’s commercial paper program is rated A-1+ by Standard & Poor’s and Prime-1 by Moody’s. These ratings denote the highest quality commercial paper securities. Maturities of commercial paper can range from overnight to up to 364 days . At June 30, 2014 , the Company had $2,173.0 million of commercial paper outstanding, which was subsequently repaid on July 1, 2014 . At June 30, 2013 , the Company had no commercial paper outstanding. In fiscal 2014 and 2013 , the Company's average borrowings were $2.3 billion and $2.4 billion , respectively, at weighted average interest rates of 0.1% and 0.2% , respectively. The weighted average maturity of the Company’s commercial paper in fiscal 2014 and 2013 approximated 2 days .

The Company’s U.S. and Canadian short-term funding requirements related to client funds obligations are sometimes obtained on a secured basis through the use of reverse repurchase agreements, which are collateralized principally by government and government agency securities, rather than liquidating previously-collected client funds that have already been invested in available-for-sale securities. These agreements generally have terms ranging from overnight to up to five business days . At June 30, 2014 , there were no outstanding obligations related to the reverse repurchase agreements. At June 30, 2013 , the Company had $245.9 million of obligations outstanding related to reverse repurchase agreements, which were subsequently repaid on July 2, 2013 . In fiscal 2014 and 2013 , the Company had average outstanding balances under reverse repurchase agreements of $361.7 million and $362.0 million , respectively, at weighted average interest rates of 0.5% and 0.7% , respectively. In addition, the Company has $3.25 billion available on a committed basis under the U.S. reverse repurchase agreements.

NOTE 11. EMPLOYEE BENEFIT PLANS

A. Stock-based Compensation Plans.   Stock-based compensation consists of the following:

- **Stock Options.**   Stock options are granted to employees at exercise prices equal to the fair market value of the Company's common stock on the dates of grant. Stock options are issued under a graded vesting schedule and have a term of 10 years . Options granted prior to July 1, 2008 generally vest ratably over five years and options granted after July 1, 2008 generally vest ratably over four years . Compensation expense is measured based on the fair value of the stock option on the grant date and recognized over the requisite service period for each separately vesting portion of the stock option award. Stock options are forfeited if the employee ceases to be employed by the Company prior to vesting.

- **Restricted Stock.**
    - **Time-Based Restricted Stock and Time-Based Restricted Stock Units.** Time-based restricted stock and time-based restricted stock units granted prior to fiscal 2013 are subject to vesting periods of up to five years and awards granted in fiscal 2013 and later are subject to a vesting period of two years . Awards are forfeited if the employee ceases to be employed by the Company prior to vesting.

      Time-based restricted stock cannot be transferred during the vesting period. Compensation expense relating to the issuance of time-based restricted stock is measured based on the fair value of the award on the grant date and recognized on a straight-line basis over the vesting period. Employees are eligible to receive dividends on shares awarded under the time-based restricted stock program.

      Time-based restricted stock units are settled in cash and cannot be transferred during the vesting period. Compensation expense relating to the issuance of time-based restricted stock units is recorded over the vesting period and is initially based on the fair value of the award on the grant date; and is subsequently remeasured at each reporting date during the vesting period. No dividend equivalents are paid on units awarded under the time-based restricted stock unit program.

    - **Performance-Based Restricted Stock and Performance-Based Restricted Stock Units.** Performance-based restricted stock and performance-based restricted stock units generally vest over a one to three year performance period and a subsequent service period of up to 26 months . Under these programs, the Company communicates "target awards" at the beginning of the performance period with possible payouts at the end of the performance period ranging from 0% to 150% of the "target awards." Awards are forfeited if the employee ceases to be employed by the Company prior to vesting.

      Performance-based restricted stock cannot be transferred during the vesting period. Compensation expense relating to the issuance of performance-based restricted stock is measured based upon the fair value of the award on the grant date and recognized on a straight-line basis over the vesting period, based upon the probability that the performance target will be met. After the performance period, if the performance targets are achieved, employees are eligible to receive dividends on shares awarded under the performance-based restricted stock program.

      Performance-based restricted stock units are settled in either cash or stock, depending on the employee's home country, and cannot be transferred during the vesting period. Compensation expense relating to the issuance of performance-based restricted stock units settled in cash is recorded over the vesting period and is initially based on the fair value of the award on the grant date and is subsequently remeasured at each reporting date during the one-year performance period, based upon the probability that the performance target will be met. Compensation expense relating to the issuance of performance-based restricted stock units settled in stock is recorded over the vesting period based on the fair value of the award on the grant date. Dividend equivalents are paid on awards settled in stock under the performance-based restricted stock unit program.

- **Employee Stock Purchase Plan.** The Company offers an employee stock purchase plan that allows eligible employees to purchase shares of common stock at a price equal to 95% of the market value for the Company's common stock on the last day of the offering period. This plan has been deemed non-compensatory and therefore, no compensation expense has been recorded.

The Company currently utilizes treasury stock to satisfy stock option exercises, issuances under the Company's employee stock purchase plan, and restricted stock awards. From time to time, the Company may repurchase shares of its common stock under its authorized share repurchase programs. The Company repurchased 9.0 million shares in fiscal 2014 as compared to 10.4 million shares repurchased in fiscal 2013 . The Company considers several factors in determining when to execute share repurchases, including, among other things, actual and potential acquisition activity, cash balances and cash flows, issuances due to employee benefit plan activity, and market conditions. Cash payments related to the settlement of vested time-based restricted stock units and performance-based restricted stock units were approximately $1.2 million , $17.8 million , and $15.4 million during fiscal years 2014 , 2013 , and 2012 .

The following table represents stock-based compensation expense and related income tax benefits in each of fiscal 2014 , 2013 , and 2012 , respectively:

Years ended June 30,	2014	2013	2012
Operating expenses	$ 25.7	$ 17.9	$ 17.2
Selling, general and administrative expenses	93.7	64.0	62.6
System development and programming costs	19.0	14.5	14.3
Total pretax stock-based compensation expense	$ 138.4	$ 96.4	$ 94.1
Income tax benefit	$ 49.5	$ 34.3	$ 33.5

As of June 30, 2014 , the total remaining unrecognized compensation cost related to non-vested stock options, restricted stock units, and restricted stock awards amounted to $16.8 million , $26.7 million , and $89.9 million , respectively, which will be amortized over the weighted-average remaining requisite service periods of 2.1 years , 1.3 years , and 1.3 years , respectively.

In fiscal 2014 , the following activity occurred under the Company's existing plans:

Stock Options:

Year ended June 30, 2014	Number of Options (in thousands)	Weighted Average Price (in dollars)
Options outstanding, beginning of year	11,110	$ 44
Options granted	1,489	$ 79
Options exercised	(4,485)	$ 41
Options canceled	(183)	$ 48
Options outstanding, end of year	7,931	$ 52
Options exercisable, end of year	5,005	$ 42
Shares available for future grants, end of year	27,153	
Shares reserved for issuance under stock option plans, end of year	35,084	

Time-Based Restricted Stock and Time-Based Restricted Stock Units:

Year ended June 30, 2014	Number of Shares (in thousands)	Number of Units (in thousands)
Restricted shares/units outstanding at July 1, 2013	1,313	280
Restricted shares/units granted	1,290	308
Restricted shares/units vested	(167)	—
Restricted shares/units forfeited	(95)	(17)
Restricted shares/units outstanding at June 30, 2014	2,341	571

Performance-Based Restricted Stock and Performance-Based Restricted Stock Units:

Year ended June 30, 2014	Number of Shares (in thousands)	Number of Units (in thousands)
Restricted shares/units outstanding at July 1, 2013	521	38
Restricted shares/units granted	599	307
Restricted shares/units vested	(264)	(22)
Restricted shares/units forfeited	(53)	(5)
Restricted shares/units outstanding at June 30, 2014	803	318

The aggregate intrinsic value of stock options outstanding and exercisable as of June 30, 2014 was $216.9 million and $185.1 million , respectively, which has a remaining life of 5.4 years and 3.4 years , respectively. The aggregate intrinsic value for stock options exercised in fiscal 2014 , 2013 , and 2012 was $156.3 million , $135.1 million , and $83.8 million , respectively.

The fair value of each stock option issued is estimated on the date of grant using a binomial option pricing model. The binomial model considers a range of assumptions related to volatility, risk-free interest rate, and employee exercise behavior. Expected volatilities utilized in the binomial model are based on a combination of implied market volatilities, historical volatility of the Company's stock price, and other factors. Similarly, the dividend yield is based on historical experience and expected future changes. The risk-free rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The binomial model also incorporates exercise and forfeiture assumptions based on an analysis of historical data. The expected life of the stock option grant is derived from the output of the binomial model and represents the period of time that options granted are expected to be outstanding.

The fair value for stock options granted was estimated at the date of grant using the following assumptions:

	2014	2013	2012
Risk-free interest rate	1.5% - 1.7%	0.8% - 1.0%	0.8% - 1.0%
Dividend yield	2.3% - 2.4%	2.7% - 2.9%	2.8% - 3.1%
Weighted average volatility factor	23.8%	23.5% - 24.4%	24.9% - 25.9%
Weighted average expected life (in years)	5.4	5.3 - 5.4	5.2 - 5.3
Weighted average fair value (in dollars)	$ 13.53	$ 8.63	$ 8.46

The weighted average fair values of shares granted were as follows:

Year ended June 30,	2014	2013	2012
Performance-based restricted stock	$ 60.38	$ 55.13	$ 44.33
Time-based restricted stock	$ 71.50	$ 58.72	$ 54.40

B. Pension Plans

The Company has a defined benefit cash balance pension plan covering substantially all U.S. employees, under which employees are credited with a percentage of base pay plus interest. The plan interest credit rate varies from year-to-year based on the ten -year U.S. Treasury rate. Employees are fully vested upon completion of three years of service. The Company's policy is to make contributions within the range determined by generally accepted actuarial principles. In addition, the Company has various retirement plans for its non-U.S. employees and maintains a Supplemental Officers Retirement Plan ("SORP"). The SORP is a defined benefit plan pursuant to which the Company pays supplemental pension benefits to certain key officers upon retirement based upon the officers' years of service and compensation.

A June 30 measurement date was used in determining the Company's benefit obligations and fair value of plan assets.

The Company is required to (a) recognize in its Consolidated Balance Sheets an asset for a plan's net overfunded status or a liability for a plan's net underfunded status, (b) measure a plan's assets and its obligations that determine its funded status as of the end of the employer's fiscal year, and (c) recognize changes in the funded status of a defined benefit plan in the year in which the changes occur in accumulated other comprehensive income (loss).

The Company's pension plans' funded status as of June 30, 2014 and 2013 is as follows:

June 30,	2014	2013
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 1,676.1	$ 1,469.5
Actual return on plan assets	311.1	121.0
Employer contributions	84.7	135.3
Currency translation adjustments	4.2	(1.5)
Benefits paid	(52.0)	(48.2)
Fair value of plan assets at end of year	$ 2,024.1	$ 1,676.1
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 1,427.8	$ 1,412.1
Service cost	66.4	67.2
Interest cost	62.6	55.1
Actuarial losses/(gains)	87.2	(58.6)
Currency translation adjustments	6.7	0.2
Benefits paid	(52.0)	(48.2)
Projected benefit obligation at end of year	$ 1,598.7	$ 1,427.8
Funded status - plan assets less benefit obligations	$ 425.4	$ 248.3

The amounts recognized on the Consolidated Balance Sheets as of June 30, 2014 and 2013 consisted of:

June 30,	2014	2013
Noncurrent assets	$ 551.4	$ 362.6
Current liabilities	(5.6)	(4.7)
Noncurrent liabilities	(120.4)	(109.6)
Net amount recognized	$ 425.4	$ 248.3

The accumulated benefit obligation for all defined benefit pension plans was $1,581.9 million and $1,412.8 million at June 30, 2014 and 2013 , respectively.

The Company's pension plans with accumulated benefit obligations in excess of plan assets as of June 30, 2014 and 2013 had the following projected benefit obligation, accumulated benefit obligation and fair value of plan assets:

June 30,	2014	2013
Projected benefit obligation	$ 142.6	$ 127.7
Accumulated benefit obligation	$ 127.8	$ 115.3
Fair value of plan assets	$ 16.7	$ 14.2

The components of net pension expense were as follows:

	2014	2013	2012
Service cost – benefits earned during the period	$ 66.4	$ 67.2	$ 57.2
Interest cost on projected benefits	62.6	55.1	62.1
Expected return on plan assets	(119.4)	(109.5)	(97.6)
Net amortization and deferral	20.1	30.9	15.0
Net pension expense	$ 29.7	$ 43.7	$ 36.7

The net actuarial loss, prior service cost, and transition obligation for the defined benefit pension plans that are included in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost are $189.4 million , $4.2 million , and $0.3 million , respectively, at June 30, 2014 . The estimated net actuarial loss, prior service cost, and transition obligation for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic pension cost over the next fiscal year are $16.3 million , $0.9 million , and $0.2 million , respectively, at June 30, 2014 .

Assumptions used to determine the actuarial present value of benefit obligations were:

Years ended June 30,	2014	2013
Discount rate	4.05%	4.50%
Increase in compensation levels	4.00%	4.00%

Assumptions used to determine the net pension expense generally were:

Years ended June 30,	2014	2013	2012
Discount rate	4.50%	3.90%	5.40%
Expected long-term rate of return on assets	7.25%	7.25%	7.25%
Increase in compensation levels	4.00%	4.00%	4.00%

The discount rate is based upon published rates for high-quality fixed-income investments that produce cash flows that approximate the timing and amount of expected future benefit payments.

The expected long-term rate of return on assets is determined based on historical and expected future rates of return on plan assets considering the target asset mix and the long-term investment strategy.

Plan Assets

The Company's pension plans' asset allocations at June 30, 2014 and 2013 by asset category were as follows:

	2014	2013
U.S. fixed income securities	33%	31%
U.S. equity securities	20%	21%
International equity securities	21%	21%
Global equity securities	26%	27%
	100%	100%

The Company's pension plans' asset investment strategy is designed to ensure prudent management of assets, consistent with long-term return objectives and the prompt fulfillment of all pension plan obligations. The investment strategy and asset mix were developed in coordination with an asset liability study conducted by external consultants to maximize the funded ratio with the least amount of volatility. In fiscal 2013, the Company revised the target asset allocation of the U.S. pension plan to include global equities as a separate asset class to enhance the diversification of overall pension plan investments.

The pension plans' assets are currently invested in various asset classes with differing expected rates of return, correlations and volatilities, including large capitalization and small capitalization U.S. equities, international equities, U.S. fixed income securities and cash.

The target asset allocation ranges for the U.S. plan are generally as follows:

U.S. fixed income securities	35% - 45%
U.S. equity securities	14% - 24%
International equity securities	11% - 21%
Global equity securities	20% - 30%

The pension plans' fixed income portfolio is designed to match the duration and liquidity characteristics of the pension plans' liabilities. In addition, the pension plans invest only in investment-grade debt securities to ensure preservation of capital. The pension plans' equity portfolios are subject to diversification guidelines to reduce the impact of losses in single investments. Investment managers are prohibited from buying or selling commodities and from the short selling of securities.

None of the pension plans' assets are directly invested in the Company's stock, although the pension plans may hold a minimal amount of Company stock to the extent of the Company's participation in the S&P 500 Index.

The pension plans' investments included in Level 1 are valued using closing prices for identical instruments that are traded on active exchanges. The pension plans' investments included in Level 2 are valued utilizing inputs obtained from an independent pricing service, which are reviewed by the Company for reasonableness. To determine the fair value of our Level 2 plan assets, a variety of inputs are utilized, including benchmark yields, reported trades, non-binding broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data, new issue data, and monthly payment information. The pension plans have no Level 3 investments at June 30, 2014 .

The following table presents the investments of the pension plans measured at fair value at June 30, 2014 :

	Level 1	Level 2	Level 3	Total
Commingled trusts	$ —	$ 1,261.1	$ —	$ 1,261.1
U.S. government securities	—	271.9	—	271.9
Mutual funds	88.2	—	—	88.2
Corporate and municipal bonds	—	368.3	—	368.3
Mortgage-backed security bonds	—	22.9	—	22.9
Total pension assets	$ 88.2	$ 1,924.2	$ —	$ 2,012.4

In addition to the investments in the above table, the pension plans also held cash and cash equivalents of $11.7 million as of June 30, 2014 , which have been classified as Level 2 in the fair value hierarchy.

The following table presents the investments of the pension plans measured at fair value at June 30, 2013 :

	Level 1	Level 2	Level 3	Total
Commingled trusts	$ —	$ 1,050.7	$ —	$ 1,050.7
U.S. government securities	—	228.3	—	228.3
Mutual funds	79.2	—	—	79.2
Corporate and municipal bonds	—	252.5	—	252.5
Mortgage-backed security bonds	—	22.7	—	22.7
Total pension assets	$ 79.2	$ 1,554.2	$ —	$ 1,633.4

In addition to the investments in the above table, the pension plans also held cash and cash equivalents of $42.7 million as of June 30, 2013 , which have been classified as Level 2 in the fair value hierarchy.

Contributions

During fiscal 2014 , the Company contributed $84.7 million to the pension plans. The Company expects to contribute $9.5 million to the pension plans during fiscal 2015 .

Estimated Future Benefit Payments

The benefits expected to be paid in each year from fiscal 2015 to 2019 are $61.3 million , $66.9 million , $76.5 million , $85.6 million and $93.8 million , respectively. The aggregate benefits expected to be paid in the five fiscal years from 2020 to 2024 are $609.4 million . The expected benefits to be paid are based on the same assumptions used to measure the Company's pension plans' benefit obligations at June 30, 2014 and includes estimated future employee service.

C. Retirement and Savings Plan. The Company has a 401(k) retirement and savings plan, which allows eligible employees to contribute up to 50% of their compensation annually and allows highly compensated employees to contribute up to 12% of their compensation annually. The Company matches a portion of employee contributions, which amounted to approximately $77.6 million , $72.0 million , and $65.9 million for the calendar years ended December 31, 2013 , 2012 , and 2011 , respectively.

NOTE 12. INCOME TAXES

Earnings from continuing operations before income taxes shown below are based on the geographic location to which such earnings are attributable.

Years ended June 30,	2014	2013	2012
Earnings from continuing operations before income taxes:			
United States	$ 1,960.3	$ 1,757.6	$ 1,874.4
Foreign	314.3	318.5	227.3
	$ 2,274.6	$ 2,076.1	$ 2,101.7

The provision (benefit) for income taxes consists of the following components:

Years ended June 30,	2014	2013	2012
Current:			
Federal	$ 666.6	$ 539.2	$ 537.6
Foreign	92.2	103.6	85.4
State	63.5	50.5	67.4
Total current	822.3	693.3	690.4
Deferred:			
Federal	(35.4)	35.2	48.4
Foreign	(19.2)	(14.9)	(9.1)
State	4.3	4.4	(3.2)
Total deferred	(50.3)	24.7	36.1
Total provision for income taxes	$ 772.0	$ 718.0	$ 726.5

A reconciliation between the Company's effective tax rate and the U.S. federal statutory rate is as follows:

Years ended June 30,	2014	%	2013	%	2012	%
Provision for taxes at U.S. statutory rate	$ 796.1	35.0	$ 726.7	35.0	$ 735.7	35.0
Increase (decrease) in provision from:						
State taxes, net of federal tax benefit	44.2	1.9	35.3	1.7	37.6	1.8
U.S. tax on foreign income	26.8	1.2	85.3	4.2	51.4	2.5
Utilization of foreign tax credits	(27.5)	(1.2)	(94.4)	(4.6)	(51.7)	(2.5)
Section 199 - Qualified production activities	(23.0)	(1.0)	(22.3)	(1.1)	(22.4)	(1.1)
Other (A)	(44.6)	(2.0)	(12.6)	(0.6)	(24.1)	(1.1)
	$ 772.0	33.9	$ 718.0	34.6	$ 726.5	34.6

(A) Fiscal 2014 includes $5.6 million for the tax impact of non tax-deductible separation cost related to the Company's planned separation of the Dealer Services business which increased our fiscal 2014 effective tax rate 0.2 percentage points . Fiscal 2013 includes $16.0 million for the tax impact of the non tax-deductible goodwill impairment related to ADP AdvancedMD which increased our fiscal 2013 effective tax rate 0.7 percentage points .

The significant components of deferred income tax assets and liabilities and their balance sheet classifications are as follows:

Years ended June 30,	2014	2013
Deferred tax assets:		
Accrued expenses not currently deductible	$ 248.0	$ 223.4
Stock-based compensation expense	87.3	84.1
Net operating losses	79.7	97.6
Other	36.4	39.5
	451.4	444.6
Less: valuation allowances	(44.0)	(48.8)
Deferred tax assets, net	$ 407.4	$ 395.8
Deferred tax liabilities:		
Prepaid retirement benefits	$ 183.7	$ 146.2
Deferred revenue	71.9	62.9
Fixed and intangible assets	203.1	235.3
Prepaid expenses	100.7	88.9
Unrealized investment gains, net	112.3	99.8
Tax on unrepatriated earnings	14.1	12.3
Other	1.9	7.3
Deferred tax liabilities	$ 687.7	$ 652.7
Net deferred tax liabilities	$ 280.3	$ 256.9

There are $29.4 million and $26.1 million of current deferred tax assets included in other current assets on the Consolidated Balance Sheets at June 30, 2014 and 2013 , respectively. There are $76.6 million and $89.4 million of long-term deferred tax assets included in other assets on the Consolidated Balance Sheets at June 30, 2014 and 2013 , respectively. There are $97.5 million and $138.0 million of current deferred tax liabilities included in accrued expenses and other current liabilities on the Consolidated Balance Sheets at June 30, 2014 and 2013 , respectively.

Income taxes have not been provided on undistributed earnings of certain foreign subsidiaries in an aggregate amount of approximately $1,031.6 million as of June 30, 2014 , as the Company considers such earnings to be permanently reinvested outside of the United States. The additional U.S. income tax that would arise on repatriation of the remaining undistributed earnings could be offset, in part, by foreign tax credits on such repatriation. However, it is impracticable to estimate the amount of net income tax that might be payable.

The Company has estimated foreign net operating loss carry-forwards of approximately $105.5 million as of June 30, 2014 , of which $47.3 million expire through 2034 and $58.2 million has an indefinite utilization period. As of June 30, 2014 , the Company has approximately $77.8 million of federal net operating loss carry-forwards from acquired companies. The net operating losses have an annual utilization limitation pursuant to section 382 of the Internal Revenue Code and expire through 2030 .

The Company has state net operating loss carry-forwards of approximately $193.6 million as of June 30, 2014 , which expire through 2033 .

The Company has recorded valuation allowances of $44.0 million and $48.8 million at June 30, 2014 and 2013 , respectively, to reflect the estimated amount of domestic and foreign deferred tax assets that may not be realized.

Income tax payments were approximately $821.5 million , $691.0 million , and $658.7 million for fiscal 2014 , 2013 , and 2012 , respectively.

As of June 30, 2014 , 2013 , and 2012 the Company's liabilities for unrecognized tax benefits, which include interest and penalties, were $56.7 million , $70.7 million , and $84.7 million respectively. The amount that, if recognized, would impact the effective tax rate is $31.2 million , $38.8 million , and $43.7 million , respectively. The remainder, if recognized, would principally impact deferred taxes.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Unrecognized tax benefits at beginning of the year	$ 70.7	$ 84.7	$ 105.7
Additions for tax positions	3.6	5.0	8.0
Reductions for tax positions	—	—	(0.8)
Additions for tax positions of prior periods	7.0	5.3	13.0
Reductions for tax positions of prior periods	(7.4)	(3.7)	(21.6)
Settlement with tax authorities	(4.4)	(12.0)	(4.2)
Expiration of the statute of limitations	(13.7)	(9.7)	(9.8)
Impact of foreign exchange rate fluctuations	0.9	1.1	(5.6)
Unrecognized tax benefit at end of year	$ 56.7	$ 70.7	$ 84.7

Interest expense and penalties associated with uncertain tax positions have been recorded in the provision for income taxes on the Statements of Consolidated Earnings. During the fiscal years ended June 30, 2014 , 2013 , and 2012 , the Company recorded interest (benefit) expense of $(3.4) million , $0.4 million , and $1.2 million , respectively. Penalties incurred during fiscal years ended June 30, 2014 , 2013 , and 2012 were no t material.

At June 30, 2014 , the Company had accrued interest of $10.7 million recorded on the Consolidated Balance Sheets, of which $0.1 million was recorded within income taxes payable, and the remainder was recorded within other liabilities. At June 30, 2013 , the Company had accrued interest of $12.2 million recorded on the Consolidated Balance Sheets, of which $1.2 million was recorded within income taxes payable, and the remainder was recorded within other liabilities. At June 30, 2014 , the Company had accrued penalties of $0.6 million recorded on the Consolidated Balance Sheets, of which $0.1 million was recorded within income taxes payable, and the remainder was recorded within other liabilities. At June 30, 2013 , the Company had accrued penalties of $1.0 million recorded on the Consolidated Balance Sheets, of which $0.1 million was recorded within income taxes payable, and the remainder was recorded within other liabilities.

The Company is routinely examined by the IRS and tax authorities in foreign countries in which it conducts business, as well as tax authorities in states in which it has significant business operations. The tax years currently under examination vary by jurisdiction. Examinations in progress in which the Company has significant business operations are as follows:

Taxing Jurisdiction	Fiscal Years under Examination
U.S. (IRS)	2013-2014
Arizona	1998-2007
Illinois	2004-2011
Minnesota	2005-2012
New York	2007-2009
New Jersey	2002-2009

The Company regularly considers the likelihood of assessments resulting from examinations in each of the jurisdictions. The resolution of tax matters is not expected to have a material effect on the consolidated financial condition of the Company, although a resolution could have a material impact on the Company's Statements of Consolidated Earnings for a particular future period and on the Company's effective tax rate.

If certain pending tax matters settle within the next twelve months, the total amount of unrecognized tax benefits may increase or decrease for all open tax years and jurisdictions. Based on current estimates, settlements related to various jurisdictions and tax periods could increase earnings up to $10 million in the next twelve months. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. We continually assess the likelihood and amount of potential adjustments and adjust the income tax provision, the current tax liability and deferred taxes in the period in which the facts that give rise to a revision become known.

In fiscal 2014 , the Company reached agreements with the IRS regarding all outstanding tax audit issues in dispute for the tax years through and including June 30, 2012 , which did not have a material impact to the consolidated financial statements of the Company.

NOTE 13. COMMITMENTS AND CONTINGENCIES

The Company has obligations under various facilities and equipment leases and software license agreements. Total expense under these agreements was approximately $306.0 million , $270.1 million , and $252.6 million in fiscal 2014 , 2013 , and 2012 , respectively, with minimum commitments at June 30, 2014 as follows:

Years ending June 30,		
2015	$	209.9
2016		147.3
2017		87.9
2018		53.2
2019		29.8
Thereafter		32.6
	$	560.7

In addition to fixed rentals, certain leases require payment of maintenance and real estate taxes and contain escalation provisions based on future adjustments in price indices.

As of June 30, 2014 , the Company has purchase commitments of approximately $780.4 million , including a reinsurance premium with ACE American Insurance Company for the fiscal 2015 policy year, as well as obligations related to purchase and maintenance agreements on our software, equipment, and other assets, of which $379.7 million relates to fiscal 2015 , $157.2 million relates to the fiscal year ending June 30, 2016 and the remaining $243.5 million relates to fiscal years ending June 30, 2017 through fiscal 2019 .

On July 18, 2011, athenahealth, Inc. filed a patent infringement lawsuit against ADP AdvancedMD, Inc. ("ADP AdvancedMD"), a subsidiary of the Company, seeking monetary damages, injunctive relief, and costs. The allegations include a claim that ADP AdvancedMD's activities in providing medical practice management and billing and revenue management software and associated services to physicians and medical practice managers infringe a patent owned by athenahealth, Inc. The parties are currently engaged in the discovery process and the court has not yet set a trial date. The Company believes that it has meritorious defenses to this lawsuit and continues to vigorously defend itself against the allegations.

In June 2011, the Company received a Commissioner's Charge from the U.S. Equal Employment Opportunity Commission ("EEOC") alleging that the Company has violated Title VII of the Civil Rights Act of 1964 by refusing to recruit, hire, transfer and promote certain persons on the basis of their race, in the State of Illinois from at least the period of January 1, 2007 to the present. The Company continues to investigate the allegations set forth in the Commissioner's Charge and is cooperating with the EEOC's investigation.

The Company is subject to various claims and litigation in the normal course of business. When a loss is considered probable and reasonably estimable, the Company records a liability in the amount of its best estimate for the ultimate loss. At this time, the Company is unable to estimate any reasonably possible loss, or range of reasonably possible loss, with respect to the matters described above. This is primarily because these matters involve complex issues subject to inherent uncertainty. There can be no assurance that these matters will be resolved in a manner that is not adverse to the Company.

It is not the Company's business practice to enter into off-balance sheet arrangements. In the normal course of business, the Company may enter into contracts in which it makes representations and warranties that relate to the performance of the Company's services and products. The Company does not expect any material losses related to such representations and warranties.

NOTE 14. RECLASSIFICATION OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME

Comprehensive income is a measure of income that includes both net earnings and other comprehensive income (loss). Other comprehensive income (loss) results from items deferred on the Consolidated Balance Sheets in stockholders' equity. Other comprehensive income (loss) was $162.8 million , $(214.8) million , and $(136.9) million in fiscal 2014 , 2013 , and 2012 , respectively. Changes in Accumulated Other Comprehensive Income ("AOCI") by component are as follows:

	Currency Translation Adjustment		Net Gains on Available-for-sale Securities		Pension Liability		Accumulated Other Comprehensive Income
Balance at June 30, 2012	42.0		461.3		(273.1)		230.2
Other comprehensive (loss) income before reclassification adjustments	(2.4)		(394.6)		68.2		(328.8)
Tax effect	—		138.5		(25.7)		112.8
Reclassification adjustments to net earnings	—		(28.6)	(B)	31.7	(C)	3.1
Tax effect	—		10.1		(12.0)		(1.9)
Balance at June 30, 2013	$ 39.6		$ 186.7		$ (210.9)		$ 15.4
Other comprehensive income before reclassification adjustments	58.4		53.5		102.8		214.7
Tax effect	—		(18.2)		(39.7)		(57.9)
Reclassification adjustments to net earnings	1.5	(A)	(16.5)	(B)	20.7	(C)	5.7
Tax effect	—		6.1		(5.8)		0.3
Balance at June 30, 2014	$ 99.5		$ 211.6		$ (132.9)		$ 178.2

(A) Reclassification adjustments out of AOCI are included within Net Earnings from Discontinued Operations, on the Statements of Consolidated Earnings.

(B) Reclassification adjustments out of AOCI are included within Other income, net, on the Statements of Consolidated Earnings.

(C) Reclassification adjustments out of AOCI are included in net pension expense (see Note 11).

NOTE 15. FINANCIAL DATA BY SEGMENT AND GEOGRAPHIC AREA

Based upon similar economic and operational characteristics, the Company’s strategic business units have been aggregated into the following three reportable segments: Employer Services, PEO Services, and Dealer Services. The primary components of the “Other” segment are the results of operations of ADP Indemnity (a wholly-owned captive insurance company that provides workers’ compensation and employer’s liability deductible reimbursement insurance protection for PEO Services worksite employees), non-recurring gains and losses, miscellaneous processing services, such as customer financing transactions, and certain charges and expenses that have not been allocated to the reportable segments, such as stock-based compensation expense, the fiscal 2014 separation costs related to the planned separation of Dealer Services, and the fiscal 2013 goodwill impairment charge.

Certain revenues and expenses are charged to the reportable segments at a standard rate for management reasons. Other costs are recorded based on management responsibility. There is a reconciling item for the difference between actual interest income earned on invested funds held for clients and interest credited to Employer Services and PEO Services at a standard rate of 4.5% . This allocation is made for management reasons so that the reportable segments' results are presented on a consistent basis without the impact of fluctuations in interest rates. This reconciling adjustment to the reportable segments' revenues and earnings from continuing operations before income taxes is eliminated in consolidation.

To align financial reporting with the manner in which the Company's chief operating decision maker assesses performance and makes decisions about resources to be allocated to the reportable segments, effective July 1, 2013, the Company no longer allocates a cost of capital charge to its reportable segments and no longer adjusts the operating results of its reportable segments on a constant exchange rate basis. As a result of these changes, all prior period amounts have been reclassified to conform to the current period presentation. These changes did not significantly affect reportable segment results.

	Employer Services	PEO Services	Dealer Services	Other	Client Fund Interest	Total
Year ended June 30, 2014						
Revenues from continuing operations	$ 8,535.2	$ 2,270.9	$ 1,951.4	$ (0.9)	$ (550.1)	$ 12,206.5
Earnings from continuing operations before income taxes	2,517.8	234.3	428.1	(355.5)	(550.1)	2,274.6
Assets from continuing operations	21,382.2	472.6	733.0	9,463.9	—	32,051.7
Capital expenditures from continuing operations	59.7	0.9	43.6	114.5	—	218.7
Depreciation and amortization	152.4	1.2	64.7	117.9	—	336.2
Year ended June 30, 2013						
Revenues from continuing operations	$ 7,924.9	$ 1,973.2	$ 1,820.2	$ 1.7	$ (432.4)	$ 11,287.6
Earnings from continuing operations before income taxes	2,216.8	199.7	375.3	(283.3)	(432.4)	2,076.1
Assets from continuing operations	24,158.2	411.4	696.8	6,985.0	—	32,251.4
Capital expenditures from continuing operations	57.9	0.6	35.1	81.2	—	174.8
Depreciation and amortization	132.2	1.2	61.2	122.1	—	316.7
Year ended June 30, 2012						
Revenues from continuing operations	$ 7,449.4	$ 1,771.4	$ 1,676.2	$ 5.5	$ (307.1)	$ 10,595.4
Earnings from continuing operations before income taxes	2,054.6	171.1	322.1	(139.0)	(307.1)	2,101.7
Assets from continuing operations	23,308.0	376.5	685.9	6,303.2	—	30,673.6
Capital expenditures from continuing operations	39.9	1.2	39.7	65.4	—	146.2
Depreciation and amortization	127.0	1.0	57.7	133.6	—	319.3

	United States	Europe	Canada	Other	Total
Year ended June 30, 2014					
Revenues from continuing operations	$ 9,890.2	$ 1,387.1	$ 437.9	$ 491.3	$ 12,206.5
Assets from continuing operations	$ 26,529.3	$ 2,724.9	$ 2,228.1	$ 569.4	$ 32,051.7
Year ended June 30, 2013					
Revenues from continuing operations	$ 9,114.9	$ 1,279.1	$ 442.4	$ 451.2	$ 11,287.6
Assets from continuing operations	$ 27,327.0	$ 2,261.2	$ 2,166.0	$ 497.2	$ 32,251.4
Year ended June 30, 2012					
Revenues from continuing operations	$ 8,493.3	$ 1,269.8	$ 426.9	$ 405.4	$ 10,595.4
Assets from continuing operations	$ 26,201.9	$ 1,969.7	$ 2,111.7	$ 390.3	$ 30,673.6

NOTE 16. QUARTERLY FINANCIAL RESULTS (UNAUDITED)

Summarized quarterly results of our continuing operations for the two fiscal years ended June 30, 2014 and June 30, 2013 are as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter (A)
Year ended June 30, 2014				
Revenues	$ 2,834.8	$ 2,977.9	$ 3,320.0	$ 3,073.7
Costs of revenues	$ 1,721.7	$ 1,769.8	$ 1,884.4	$ 1,845.6
Gross profit	$ 1,113.1	$ 1,208.1	$ 1,435.6	$ 1,228.1
Net earnings from continuing operations	$ 327.7	$ 375.8	$ 510.4	$ 288.7
Basic earnings per share from continuing operations	$ 0.68	$ 0.79	$ 1.07	$ 0.60
Diluted earnings per share from continuing operations	$ 0.68	$ 0.78	$ 1.06	$ 0.60

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter (B)
Year ended June 30, 2013				
Revenues	$ 2,632.7	$ 2,742.8	$ 3,109.3	$ 2,802.8
Costs of revenues	$ 1,583.7	$ 1,621.6	$ 1,743.2	$ 1,689.9
Gross profit	$ 1,049.0	$ 1,121.2	$ 1,366.1	$ 1,112.9
Net earnings from continuing operations	$ 301.7	$ 350.9	$ 481.6	$ 224.0
Basic earnings per share from continuing operations	$ 0.62	$ 0.73	$ 1.00	$ 0.46
Diluted earnings per share from continuing operations	$ 0.62	$ 0.72	$ 0.99	$ 0.46

(A) Net earnings from continuing operations, basic earnings per share from continuing operations and diluted earnings per share from continuing operations include the impact of separation costs related to the planned separation of the Company's Dealer Services business, which decreased net earnings from continuing operations by $14.9 million and both basic and diluted earnings per share from continuing operations by $0.03 .

(B) Net earnings from continuing operations and diluted earnings per share from continuing operations includes the impact of a goodwill impairment charge related to ADP AdvancedMD, which decreased net earnings from continuing operations by $42.7 million and both basic and diluted earnings per share from continuing operations by $0.09 .

NOTE 17. SUBSEQUENT EVENTS

With the exception of the repayment of commercial paper obligation on July 1, 2014, the July 2014 increase in the commercial paper program discussed in Note 10, and the item listed below, there are no further subsequent events for disclosure.

The Company's subsidiary captive insurance company, ADP Indemnity, paid a premium of $167.9 million in July 2014 to enter into a reinsurance arrangement with ACE American Insurance Company to cover substantially all losses for the fiscal 2015 policy year on terms substantially similar to the fiscal 2014 reinsurance policy to cover losses up to the $1 million per occurrence related to the workers' compensation and employer's liability deductible reimbursement insurance protection for PEO Services worksite employees.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Attached as Exhibits 31.1 and 31.2 to this Annual Report on Form 10-K are certifications of ADP's Chief Executive Officer and Chief Financial Officer, which are required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). This “Controls and Procedures” section should be read in conjunction with the report of Deloitte & Touche LLP that appears on page 77 of this Annual Report on Form 10-K and is hereby incorporated herein by reference.

Management's Evaluation of Disclosure Controls and Procedures

The Company carried out an evaluation (the “evaluation”), under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of June 30, 2014 in ensuring that (i) information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure and (ii) such information is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Management's Report on Internal Control over Financial Reporting

It is the responsibility of Automatic Data Processing, Inc.'s (“ADP”) management to establish and maintain effective internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended). Internal control over financial reporting is designed to provide reasonable assurance to ADP's management and board of directors regarding the preparation of reliable financial statements for external purposes in accordance with generally accepted accounting principles.

ADP's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADP; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of ADP are being made only in accordance with authorizations of management and directors of ADP; and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of ADP's assets that could have a material effect on the financial statements of ADP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has performed an assessment of the effectiveness of ADP's internal control over financial reporting as of June 30, 2014 based upon criteria set forth in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management determined that ADP's internal control over financial reporting was effective as of June 30, 2014 .

Deloitte & Touche LLP, the independent registered public accounting firm that audited and reported on the consolidated financial statements of ADP included in this Annual Report on Form 10-K, has issued an attestation report on the operating effectiveness of ADP's internal control over financial reporting. The Deloitte & Touche LLP attestation report is set forth below.

/s/ Carlos A. Rodriguez

Carlos A. Rodriguez
President and Chief Executive Officer

/s/ Jan Siegmund

Jan Siegmund
Chief Financial Officer

Roseland, New Jersey
August 8, 2014

Changes in Internal Control over Financial Reporting

There were no changes in ADP's internal control over financial reporting that occurred during the quarter ended June 30, 2014 that have materially affected, or are reasonably likely to materially affect, ADP's internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Automatic Data Processing, Inc.

Roseland, New Jersey

We have audited the internal control over financial reporting of Automatic Data Processing, Inc. and subsidiaries (the "Company") as of June 30, 2014, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2014, based on the criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and consolidated financial statement schedule as of and for the year ended June 30, 2014 of the Company and our report dated August 8, 2014 expressed an unqualified opinion on those consolidated financial statements and consolidated financial statement schedule.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey

August 8, 2014

Item 9B. Other Information

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The executive officers of the Company, their ages, positions, and the period during which they have been employed by ADP are as follows:

Name	Age	Position	Employed by ADP Since
Steven J. Anenen	61	*President, Dealer Services*	1975
John Ayala	47	*President, Employer Services - Small Business Services, Retirement Services and Insurance Services*	2002
Mark D. Benjamin	43	*President, Global Enterprise Solutions*	1992
Maria Black	40	*President, Employer Services - TotalSource*	1996
Michael A. Bonarti	48	*Vice President, General Counsel and Secretary*	1997
Michael L. Capone	47	*Vice President and Chief Information Officer*	1988
Deborah L. Dyson	48	*Vice President, Client Experience and Continuous Improvement*	1988
Michael C. Eberhard	52	*Vice President and Treasurer*	1998
Edward B. Flynn, III	54	*Vice President, Employer Services - Sales and Marketing*	1988
Regina R. Lee	57	*Vice President*	1982
Dermot J. O'Brien	48	*Chief Human Resources Officer*	2012
Douglas Politi	52	*President, Added Value Services*	1992
Anish D. Rajparia	43	*President, Major Account Services and ADP Canada*	2002
Carlos A. Rodriguez	50	*President and Chief Executive Officer*	1999
Alan Sheiness	56	*Corporate Controller and Principal Accounting Officer*	1984
Jan Siegmund	50	*Chief Financial Officer*	1999
Joe Timko	54	*Chief Strategy Officer*	2013

Steven J. Anenen joined ADP in 1975. He has served as President, Dealer Services since 2004.

John Ayala joined ADP in 2002. Prior to his appointment as President, Employer Services - Small Business Services, Retirement Services and Insurance Services in July 2014, he served as Vice President, Client Experience and Continuous Improvement from 2013 to June 2014, as Senior Vice President, Employer Services - Small Business Services from 2011 to January 2013, and as Senior Vice President, Service and Operations, TotalSource from 2008 to 2011.

Mark D. Benjamin joined ADP in 1992. Prior to his appointment as President, Global Enterprise Solutions, which includes Employer Services - International, National Account Services, Benefit Services, TheRightThing, GlobalView and Streamline, in July 2013, he served as President, Employer Services International from July 2011 to June 2013, and as Senior Vice President, Small Business Services and TotalSource from 2008 to June 2011.

Maria Black joined ADP in 1996. Prior to her appointment as President, Employer Services - TotalSource in July 2014, she served as General Manager, ADP United Kingdom from July 2013 to June 2014, and as General Manager, Employer Services - TotalSource Western Central Region from 2008 to June 2013.

Michael A. Bonarti joined ADP in 1997. Prior to his appointment as Vice President, General Counsel and Secretary in June 2010, he served as Staff Vice President and Associate General Counsel from November 2007 to June 2010.

Michael L. Capone joined ADP in 1988. He has served as Vice President and Chief Information Officer since 2008.

Deborah L. Dyson joined ADP in 1988. Prior to her appointment as Vice President, Client Experience and Continuous Improvement in July 2014, she served as Division Vice President / General Manager, Employer Services - Major Account Services South Service Center from July 2012 to June 2014, and as Division Vice President / General Manager, Employer Services - Major Account Services Northwest Service Center from July 2006 to June 2012.

Michael C. Eberhard joined ADP in 1998. Prior to his appointment as Vice President and Treasurer in 2009, he served as Staff Vice President and Assistant Treasurer from 2007 to 2009.

Edward B. Flynn, III joined ADP in 1988. Prior to his appointment as Vice President, Employer Services - Sales and Marketing in 2013, he served as Vice President, Employer Services - Sales from 2009 to 2013, and as President, Employer Services International from 2008 to 2009.

Regina R. Lee joined ADP in 1982. Prior to announcing her retirement effective December 31, 2014, she served as President, Employer Services - Major Account Services and ADP Canada from 2013 to June 2014, as President, Employer Services - National Account Services, Major Account Services, ADP Canada, and GlobalView from 2011 to June 2013, as President, Employer Services - Small Business Services and Major Account Services from 2010, and as President, Employer Services - National Account Services and Employer Services International from 2008 to 2010.

Dermot J. O'Brien joined ADP in 2012 as Chief Human Resources Officer. Prior to joining ADP, he was Executive Vice President of Human Resources at TIAA-CREF from 2003 to 2012.

Douglas Politi joined ADP in 1992. Prior to his appointment as President, Added Value Services in 2013, he served as Senior Vice President, CFO Suite (AVS) from 2011 to 2013, and as Senior Vice President, Retirement Services from 2006 to 2011.

Anish D. Rajparia joined ADP in 2002. Prior to his appointment as President, Employer Services - Major Account Services and ADP Canada in July 2014, he served as President, Employer Services - Small Business Services, TotalSource, Retirement Services, and Insurance Services from 2012 to June 2014, as President, Employer Services - Small Business Services, TotalSource, and Retirement Services from 2011 to 2012, and as President, Employer Services International from 2009 to 2011.

Carlos A. Rodriguez joined ADP in 1999. Prior to his appointment in November 2011 to President and Chief Executive Officer, he served as President and Chief Operating Officer from June 2011 to November 2011, as President, Employer Services - National Account Services, ADP Canada, and GlobalView and Employer Services International, from 2010 to May 2011, and as President, Employer Services - Small Business Services from 2007 to 2010.

Alan Sheiness joined ADP in 1984. He has served as Corporate Controller and Principal Accounting Officer since 2007.

Jan Siegmund joined ADP in 1999. Prior to his appointment as Chief Financial Officer in 2012, he served as President, Added Value Services and Chief Strategy Officer from 2009 to 2012, and as President, Added Value Services from 2007 to 2009.

Joe Timko joined ADP in June 2013 as Chief Strategy Officer. Prior to joining ADP, he was Executive Vice President, Chief Technology & Strategy Officer at Pitney Bowes Inc. from April 2012 to June 2013, Chief Strategy & Innovation Officer at Pitney Bowes from February 2010 to April 2012, and a partner in the Technology, Telecom & Industrial Sector practices at McKinsey & Company from 2001 to 2010.

Directors

See “Election of Directors” in the Proxy Statement for the Company's 2014 Annual Meeting of Stockholders, which information is incorporated herein by reference.

Section 16(a) Beneficial Ownership Reporting Compliance

See “Section 16(a) Beneficial Ownership Reporting Compliance” in the Proxy Statement for the Company's 2014 Annual Meeting of Stockholders, which information is incorporated herein by reference.

Code of Ethics

ADP has adopted a code of ethics that applies to its principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. The code of ethics may be viewed online on ADP's website at www.adp.com under “Ethics” in the “About ADP” section. Any amendment to or waivers from the code of ethics will be disclosed on our website within four business days following the date of the amendment or waiver.

Audit Committee

See “Audit Committee Report” in the Proxy Statement for the Company's 2014 Annual Meeting of Stockholders, which information is incorporated herein by reference.

Item 11. Executive Compensation

See “Compensation of Executive Officers” and “Election of Directors - Compensation of Non-Employee Directors” in the Proxy Statement for the Company's 2014 Annual Meeting of Stockholders, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

See “Election of Directors - Security Ownership of Certain Beneficial Owners and Managers” and “Election of Directors - Equity Compensation Plan Information” in the Proxy Statement for the Company's 2014 Annual Meeting of Stockholders, which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

See “Election of Directors - Corporate Governance” in the Proxy Statement for the Company's 2014 Annual Meeting of Stockholders, which information is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

See “Independent Registered Public Accounting Firm's Fees” in the Proxy Statement for the Company's 2014 Annual Meeting of Stockholders, which information is incorporated herein by reference.

Part IV

Item 15. Exhibits, Financial Statement Schedules

(a) Financial Statements and Financial Statement Schedules

1. **Financial Statements**

The following report and consolidated financial statements of the Company are contained in Part II, Item 8 hereof:

Report of Independent Registered Public Accounting Firm

Statements of Consolidated Earnings - years ended June 30, 2014 , 2013 and 2012

Consolidated Balance Sheets - June 30, 2014 and 2013

Statements of Consolidated Stockholders' Equity - years ended June 30, 2014 , 2013 and 2012

Statements of Consolidated Cash Flows - years ended June 30, 2014 , 2013 and 2012

Notes to Consolidated Financial Statements

2. **Financial Statement Schedules**

	Page in Form 10-K
Schedule II - Valuation and Qualifying Accounts	84

All other Schedules have been omitted because they are inapplicable or are not required or the information is included elsewhere in the financial statements or notes thereto.

(b) Exhibits

The following exhibits are filed with this Annual Report on Form 10-K or incorporated herein by reference to the document set forth next to the exhibit in the list below:

3.1	Amended and Restated Certificate of Incorporation dated November 11, 1998 - incorporated by reference to Exhibit 3.1 to the Company's Registration Statement No. 333-72023 on Form S-4 filed with the Commission on February 9, 1999
3.2	Amended and Restated By-laws of the Company - incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated April 9, 2014
10.1	Separation and Distribution Agreement, dated as of March 20, 2007, between Automatic Data Processing, Inc. and Broadridge Financial Solutions, LLC - incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 21, 2007

10.2	Separation Agreement and General Release, dated November 14, 2011, by and between Gary C. Butler and Automatic Data Processing, Inc. - incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 14, 2011

10.3	Letter Agreement, dated as of December 14, 2011, between Automatic Data Processing, Inc., and Carlos Rodriguez - incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 14, 2011 (Management Contract)
10.4	Amended and Restated Supplemental Officers Retirement Plan - incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated November 10, 2009 (Management Compensatory Plan)
10.5	Form of Performance Stock Unit Award Agreement under the 2008 Omnibus Award Plan- incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2013) (Management Compensatory Plan)
10.6	2000 Stock Option Plan - incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009 (Management Compensatory Plan)
10.7	Automatic Data Processing, Inc. Deferred Compensation Plan, as Amended and Restated Effective July 25, 2014 (Management Compensatory Plan)
10.8	Automatic Data Processing, Inc. Change in Control Severance Plan for Corporate Officers, as amended (Management Compensatory Plan)
10.9	Amended and Restated Employees' Saving-Stock Option Plan - incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2005 (Management Compensatory Plan)
10.10	2003 Director Stock Plan - incorporated by reference to Exhibit 4.4 to Registration Statement No. 333-147377 on Form S-8 filed with the Commission on November 14, 2007 (Management Compensatory Plan)
10.11	Automatic Data Processing, Inc. Amended and Restated Employees' Savings-Stock Purchase Plan (Management Compensatory Plan)
10.12	364-Day Credit Agreement, dated as of June 18, 2014, among Automatic Data Processing, Inc., the Borrowing Subsidiaries thereto, the Lenders Party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., BNP Paribas, Wells Fargo Bank, N.A. and Citibank, N.A., as Syndication Agents, and Deutsche Bank Securities Inc. and Barclays Bank PLC, as Documentation Agents. - incorporated by reference to Exhibit 10.12 to the Company's Current Report on Form 8-K dated June 18, 2014
10.13	Five-Year Credit Agreement, dated as of June 18, 2014, among Automatic Data Processing, Inc., the Borrowing Subsidiaries thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, J.P. Morgan Europe Limited, as London Agent, JP Morgan Chase Bank, N.A., Toronto Branch, as Canadian Agent, Bank of America, N.A., BNP Paribas, Wells Fargo Bank, N.A., and Citibank, N.A., as Syndication Agents, and Deutsche Bank Securities Inc. and Barclays Bank PLC, as Documentation Agents - incorporated by reference to Exhibit 10.15 to the Company's Current Report on Form 8-K dated June 18, 2014
10.14	Amended and Restated Five-Year Credit Agreement, dated as of June 19, 2013, among Automatic Data Processing, Inc., the Lenders Party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., BNP Paribas, Wells Fargo Bank, N.A., Barclays Bank PLC, and Citibank, N.A., as Syndication Agents, and Deutsche Bank Securities Inc., as Documentation Agent. - incorporated by reference to Exhibit 10.18 to the Company's Current Report on Form 8-K dated June 19, 2013
10.15	2000 Stock Option Grant Agreement (Form for Employees) for grants prior to August 14, 2008 - incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2004 (Management Compensatory Plan)
10.16	2000 Stock Option Grant Agreement (Form for French Associates) for grants prior to August 14, 2008 - incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2004 (Management Compensatory Plan)
10.17	2000 Stock Option Grant Agreement (Form for Non-Employee Directors) for grants prior to August 14, 2008 - incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2004 (Management Compensatory Plan)
10.18	2000 Stock Option Grant Agreement (Form for Employees) for grants beginning August 14, 2008 - incorporated by reference to Exhibit 10.25 to the Company's Current Report on Form 8-K dated August 13, 2008 (Management Compensatory Plan)
10.19	Non-Employee Director Compensation Summary Sheet - (Management Compensatory Plan)
10.20	Separation Agreement and Release, dated November 12, 2012, by and between Christopher R. Reidy and Automatic Data Processing, Inc. - incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 12, 2012

10.21	Separation Agreement and Release, dated April 21, 2014, by and between Regina R. Lee and Automatic Data Processing, Inc. - incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 21, 2014
10.22	2008 Omnibus Award Plan - incorporated by reference to Appendix A to the Company's Proxy Statement for its 2008 Annual Meeting of Stockholders filed with the Commission on September 26, 2008 (Management Compensatory Plan)
10.23	French Sub Plan under the 2008 Omnibus Award Plan effective as of January 26, 2012 - incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012 (Management Compensatory Plan)
10.24	Form of Restricted Stock Award Agreement under the 2008 Omnibus Award Plan - incorporated by reference to Exhibit 10.31 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2008 (Management Compensatory Plan)
10.25	Form of Stock Option Grant Agreement under the 2008 Omnibus Award Plan (Form for French Employees) for grants prior to January 26, 2012 - incorporated by reference to Exhibit 10.30 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2008 (Management Compensatory Plan)
10.26	Form of Stock Option Grant Agreement under the 2008 Omnibus Award Plan (Form for French Employees) for grants beginning January 26, 2012 - incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012 (Management Compensatory Plan)
10.27	Form of Stock Option Grant Agreement under the 2008 Omnibus Award Plan (Form for Non- Employee Directors) for grants prior to November 12, 2008 - incorporated by reference to Exhibit 10.27 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2008 (Management Compensatory Plan)
10.28	Form of Stock Option Grant Agreement under the 2008 Omnibus Award Plan (Form for Non- Employee Directors) for beginning November 12, 2008 (Management Compensatory Plan)
10.29	Form of Stock Option Grant Agreement under the 2008 Omnibus Award Plan (Form for Employees) (Management Compensatory Plan)
10.30	Form of Deferred Stock Unit Award Agreement under the 2008 Omnibus Award Plan- incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2012 (Management Compensatory Plan)
21	Subsidiaries of the Company
23	Consent of Independent Registered Public Accounting Firm
31.1	Certification by Carlos A. Rodriguez pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2	Certification by Jan Siegmund pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1	Certification by Carlos A. Rodriguez pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification by Jan Siegmund pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL instance document
101.SCH	XBRL taxonomy extension schema document
101.CAL	XBRL taxonomy extension calculation linkbase document
101.LAB	XBRL taxonomy label linkbase document
101.PRE	XBRL taxonomy extension presentation linkbase document
101.DEF	XBRL taxonomy extension definition linkbase document

AUTOMATIC DATA PROCESSING, INC.

AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(In thousands)

Column A	Column B	Column C		Column D	Column E
		Additions			
		(1)	(2)		
	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts	Deductions	Balance at end of period
Year ended June 30, 2014:					
Allowance for doubtful accounts:					
Current	$ 50,201	$ 17,796	$ —	$ (12,278) (A)	$ 55,719
Long-term	$ 9,033	$ 2,964	$ —	$ (3,639) (A)	$ 8,358
Deferred tax valuation allowance	$ 48,792	$ 6,621	$ 3,935 (B)	$ (15,305)	$ 44,043
Year ended June 30, 2013:					
Allowance for doubtful accounts:					
Current	$ 46,042	$ 19,664	$ —	$ (15,505) (A)	$ 50,201
Long-term	$ 8,812	$ 2,687	$ —	$ (2,466) (A)	$ 9,033
Deferred tax valuation allowance	$ 54,127	$ 3,887	$ (842) (B)	$ (8,380)	$ 48,792
Year ended June 30, 2012:					
Allowance for doubtful accounts:					
Current	$ 50,065	$ 23,472	$ —	$ (27,495) (A)	$ 46,042
Long-term	$ 9,438	$ 2,106	$ —	$ (2,732) (A)	$ 8,812
Deferred tax valuation allowance	$ 62,084	$ 4,002	$ (5,465) (B)	$ (6,494)	$ 54,127

(A) Doubtful accounts written off, less recoveries on accounts previously written off.

(B) Includes amounts related to foreign exchange fluctuation.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

AUTOMATIC DATA PROCESSING, INC.
(Registrant)

August 8, 2014

By /s/ Carlos A. Rodriguez
Carlos A. Rodriguez
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Carlos A. Rodriguez (Carlos A. Rodriguez)	President and Chief Executive Officer, Director (Principal Executive Officer)	August 8, 2014
/s/ Jan Siegmund (Jan Siegmund)	Chief Financial Officer (Principal Financial Officer)	August 8, 2014
/s/ Alan Sheiness (Alan Sheiness)	Corporate Controller (Principal Accounting Officer)	August 8, 2014
/s/ Ellen R. Alemany (Ellen R. Alemany)	Director	August 8, 2014
/s/ Gregory D. Brenneman (Gregory D. Brenneman)	Director	August 8, 2014
/s/ Leslie A. Brun (Leslie A. Brun)	Director	August 8, 2014
/s/ Richard T. Clark (Richard T. Clark)	Director	August 8, 2014
/s/ Eric C. Fast (Eric C. Fast)	Director	August 8, 2014
/s/ Linda R. Gooden (Linda R. Gooden)	Director	August 8, 2014
/s/ Michael P. Gregoire (Michael P. Gregoire)	Director	August 8, 2014

/s/ R. Glenn Hubbard (R. Glenn Hubbard)	Director	August 8, 2014
/s/ John P. Jones (John P. Jones)	Director	August 8, 2014
/s/ Gregory L. Summe (Gregory L. Summe)	Director	August 8, 2014

EXHIBIT 10.7

AUTOMATIC DATA PROCESSING, INC.

DEFERRED COMPENSATION PLAN

As Amended and Restated Effective July 25, 2014

The Automatic Data Processing, Inc. Deferred Compensation Plan is intended to provide a select group of management or highly-compensated employees the ability to defer certain compensation earned by such employees. This restated Plan document applies to all deferrals made or vested under the Plan on or after January 1, 2005 that are subject to the provisions of Section 409A of the Internal Revenue Code. All other deferrals made and vested prior to January 1, 2005 are subject to the rules in effect at the time the compensation was deferred. It is intended that this Plan will be supplemented by annual summaries describing the Plan and participation in the Plan for the applicable Plan Year; in the event of a conflict between the Plan and an annual summary, the terms of the Plan shall control.

ARTICLE I
DEFINITIONS

Capitalized terms used in this Plan, shall have the meanings specified below.

1.1 " Account " or " Accounts " shall mean all of the Bonus Deferral Subaccounts, Company Matching Contribution Subaccounts or Company Stock Unit Subaccounts that are specifically provided in this Plan.

1.2 " Affiliate " means (i) any person or entity that directly or indirectly controls, is controlled by or is under common control with the Company and/or (ii) to the extent provided by the Committee, any person or entity in which the Company has a significant interest. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting or other securities, by contract or otherwise.

1.3 " Annual Bonus Payments " shall mean, with respect to any Eligible Employee who does not qualify as a sales associate, the compensation earned pursuant to any annual cash incentive plan or annual cash bonus plan or program adopted by the Company; provided , however , that the following compensation shall not qualify as "Annual Bonus Payments" hereunder: spot bonuses, hiring bonuses, separation payments, retention payments, or other special or extraordinary payments. For the sake of clarity, payments of amounts under such annual cash incentive plan or annual cash bonus plan or cash bonus plan or program in connection with such Participant's separation from service or termination of employment from the Company are to be treated for purposes of the Plan as an Annual Bonus Payment (and not a separation payment), even if the amounts are fixed and/or accelerated in connection with such separation or termination (provided that the timing of the payment and the extent to which the amount is substantially certain shall be taken into account in determining whether a deferral in respect of such payments shall be permitted under the Plan). Annual Bonus Payments shall only include compensation that is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to the Company's fiscal year, and the performance criteria in respect of which was established in writing no later than 90 days after the commencement of the performance period to which such criteria relate.

1.4 " Annual Incentive Amounts " shall mean, as applicable, Annual Bonus Payments and Qualifying Sales Bonuses.

1.5 " Beneficiary " or " Beneficiaries " shall mean the person or persons designated in writing by a Participant in accordance with procedures established by the Committee or the Plan Administrator to receive the benefits specified hereunder in the event of the Participant's death. No Beneficiary designation shall become effective until it is filed with the Committee or the Plan Administrator. If there is no such designation or if there is no surviving designated Beneficiary, then the Participant's surviving spouse shall be the Beneficiary. If there is no surviving spouse to receive any benefits payable in accordance with the preceding sentence, the duly appointed and currently acting personal representative of the Participant's estate (which shall include either the Participant's probate estate or living trust) shall be the Beneficiary.

1.6 " Board of Directo rs" or " Board " shall mean the Board of Directors of Automatic Data Processing, Inc.

1.7 " Bonus Deferral Subaccount " shall mean the bookkeeping account maintained by the Company or the Plan Administrator for each Participant that is credited with amounts equal to (i) the portion of the Participant's Annual Incentive Amounts that he or she elects to defer, and (ii) earnings and losses (based on the Investment Rate) attributable thereto.

1.8 " Code " shall mean the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any regulations or other interpretative guidance under such section, and any amendments or successor provisions to such section, regulations or guidance.

1.9 " Committee " shall mean a committee as the Compensation Committee may appoint to administer the Plan or, if no such committee has been appointed by the Compensation Committee, then it shall be the Compensation Committee. As of the effective date of this Plan, the Committee shall consist of (i) the person occupying the position of General Counsel of the Company, and (ii) the person occupying the position of Chief Human Resources Officer of the Company. In the event of a vacancy in either the position of General Counsel or Chief Human Resources Officer, then unless the Compensation Committee otherwise determines, the Committee shall consist of the remaining person until such vacant position is filled.

1.10 " Company " shall mean Automatic Data Processing, Inc., a Delaware corporation.

1.11 " Company Common Stock " means the common stock, par value $.10 per share, of the Company.

1.12 " Company Matching Contribution " shall mean the amount, if any, contributed by the Company for a Participant with respect to a Plan Year under Section 4.2.

1.13 " Company Matching Contribution Subaccount " shall mean the bookkeeping account maintained by the Company or the Plan Administrator for each Participant that is credited with an amount equal to (i) the Company Matching Contribution, if any, and (ii) earnings and losses (based on the Investment Rate) attributable thereto.

1.14 " Company Stock Unit Subaccount " shall mean the bookkeeping account maintained by the Company or the Plan Administrator for each Participant that is credited with (i) a number of Company stock units equal to the PBRS Awards that he or she elects to defer, if any, and (ii) an amount equal to the Dividend Equivalents (and earnings and losses (based on the Investment Rate) attributable to such Dividend Equivalents).

1.15 " Compensation Committee " shall mean the Compensation Committee of the Board.

1.16 " Disability " shall mean a circumstance where the Company shall have cause to terminate a Participant's employment or service on account of "disability," as defined in any then-existing employment, consulting or other similar agreement between the Participant and the Company or, in the absence of such an employment, consulting or other similar agreement, a condition entitling the Participant to receive benefits under a long-term disability plan of the Company, or, in the absence of such a plan, as determined by the Committee based upon medical evidence acceptable to it; provided , however , that a Participant shall not have a Disability for purposes of the Plan unless the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering the Company's employees.

1.17 " Distributable Amount " shall mean the vested balance in a Participant's Accounts subject to distribution in a given Plan Year.

1.18 " Dividend Equivalents " shall mean, for any Participant who defers PBRS Awards, an amount equal to the product of (a) the dividends (including extraordinary dividends, if so determined by the Committee) declared and paid to other stockholders of the Company in respect of one share of Company Common Stock, multiplied by (b) the number of Company stock units in such Participant's Company Stock Unit Subaccount on the date such dividends are so declared.

1.19 " Eligible Employee " shall mean those employees selected by the Committee in accordance with the procedures set forth in Article II.

1.20 " Enrollment Period " shall mean a period of time, as determined by the Committee with respect to each Plan Year, ending no later than the December 31 preceding the end of the performance period with respect to which the Annual Incentive Amounts or PBRS Awards, as applicable, for such Plan Years relate; provided , however , that if the relevant performance period does not end on June 30, the Enrollment Period shall end at least six months before the conclusion of the applicable performance period.

1.21 " ERISA " shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.22 " Exchange Act " means the Securities Exchange Act of 1934, as amended, and any successor thereto. Reference in the Plan to any section of (or rule promulgated under) the Exchange Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations or guidance.

1.23 " Fund " or " Funds " shall mean one or more of the investment funds selected by the Committee, or its designee, to which Participants may elect to make deemed investments pursuant to Section 3.3.

1.24 " In-Service Distribution Date " shall mean, in the case of a distribution to be made while the Participant is still employed by the Company, the month of September of the Plan Year elected by the Participant.

1.25 " Investment Rate " shall mean, (i) for each Fund with a fixed rate of return, the annual interest rate applicable to such Fund, as determined by the Committee from time to time, and (ii) for any Fund that does not have a fixed rate of return, any appreciation or depreciation in the value of the investment in which the Participant is deemed invested.

1.26 " Participant " shall mean any Eligible Employee who becomes a Participant in this Plan in accordance with Article II.

1.27 “ PBRS Awards ” shall mean, for any Plan Year, the number of shares of Company Common Stock earned by a Participant under the PBRS Program.

1.28 “ PBRS Program ” shall mean the Company’s performance-based restricted stock program, performance-based stock unit program or any similar performance-based equity arrangement under the Company’s 2008 Omnibus Award Plan (or any successor plan), as in effect from time to time.

1.29 “ Plan ” shall mean this Automatic Data Processing, Inc. Deferred Compensation Plan.

1.30 “ Plan Administrator ” shall mean, if applicable, any record keeper appointed by the Company (which may include an Affiliate of the Company) to perform administrative and other functions associated with the Plan.

1.31 “ Plan Year ” shall mean the Company’s fiscal year, which runs from July 1 to June 30.

1.32 “ Qualifying Sales Bonuses ” shall mean, with respect to any Eligible Employee who qualifies as a sales associate and (i) receives sales bonuses on a quarterly basis, the bonus paid to such person related to the Company’s fourth fiscal quarter in any Plan Year or (ii) receives sales bonuses on a monthly basis, the bonus paid to such person related to the last month in any Plan Year.

1.33 “ Scheduled Distribution Date ” shall mean, as applicable, the In-Service Distribution Date or the Separation from Service Distribution Date

1.34 “ Separation from Service ” shall mean that the employment or service provider relationship with the Company and any entity that is to be treated as a single employer with the Company for purposes of Treasury Regulations Section 1.409A-1(h) (the “ Single Employer ”) terminates such that the facts and circumstances indicate it is reasonably anticipated that no further services will be performed or that the level of bona fide services the Participant would perform after the termination (whether as an employee or as an independent contractor) would permanently decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services to the Single Employer if the Participant has been providing services to the Single Employer less than 36 months).

1.35 “ Separation from Service Distribution Date ” shall mean, in the case of a distribution on account of a Separation from Service, the seventh month following the month in which the Separation from Service occurs.

1.36 “ Unforeseeable Emergency ” shall mean a severe unforeseeable financial hardship as defined in Section 409A and the regulations thereunder, including a severe financial hardship resulting from (i) an illness or accident of the Participant, the

Participant's spouse, the Participant's designated Beneficiary, or the Participant's dependent (as defined in Section 152 of the Code, without regard to section 152(b)(1), (b)(2), and (d)(1)(B)), (ii) the loss of the Participant's property due to casualty, or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the Participant's control.

ARTICLE II

ELIGIBILITY FOR PARTICIPATION

2.1 Determination of Eligible Employee . With respect to all Plan Years commencing on or after July 1, 2011, Eligible Employees (with respect to both Annual Incentive Amounts and PBRS Awards) shall consist of all employees of the Company (or of any subsidiary that is incorporated in any State in the United States of America), determined as of July 1 of each Plan Year, that are (x) in executive letter grade positions, and (y) eligible to receive compensation pursuant to an annual cash incentive plan, or annual cash bonus plan or program; provided , however , that any employee whose home country is not the United States of America shall not be considered an Eligible Employee hereunder.

2.2 Participation . An Eligible Employee shall become a Participant in the Plan by electing to make a deferral of Annual Incentive Amounts or PBRS Awards in a Plan Year in accordance with Article III.

2.3 Amendment of Eligibility Criteria . The Committee may, in its discretion, change which employees are Eligible Employees under the Plan for any reason, including to comply with any applicable laws relating to the operation of the Plan. Eligibility for participation in one Plan Year does not guarantee eligibility to participate in any future Plan Year.

ARTICLE III
ELECTIONS

3.1 Election to Defer Annual Incentive Amounts and PBRS Awards.

(a) Timing of Election to Defer Annual Incentive Amounts and PBRS Awards. An Eligible Employee may elect to defer Annual Incentive Amounts and/or PBRS Awards only during the Enrollment Period.

(b) Amount Eligible for Deferral.

(1) An Eligible Employee may elect to defer between 0% and 100% of his Annual Incentive Amounts and/or his PBRS Awards, as may be determined by the Committee. The Committee may change the amount or percentage that may be deferred in respect of any Plan Year at any time, or from time to time.

(2) If necessary, the total amount deferred by a Participant shall be reduced in 1% increments in order to satisfy Social Security Tax (including Medicare), income tax withholding for compensation that cannot be deferred, employee benefit plan withholding requirements and any other withholding requirements.

(c) Irrevocable Elections. Elections to defer Annual Incentive Amounts and PBRS Awards shall become irrevocable as of the date for such Plan Year set by the Committee in its sole discretion, which (i) in the case of an Annual Bonus Payment shall in no event be later than six months before the conclusion of the performance period with respect to which the Annual Bonus Payment relates, (ii) in the case of a Qualifying Sales Bonus shall in no event be later than the December 31 of the calendar year preceding the calendar year in which the Qualifying Sales Bonus will be earned, and (iii) in case of a PBRS Award shall in no event be later than six months before the conclusion of the performance period with respect to which the PBRS Award relates.

(d) Duration of Election. An Eligible Employee's election to defer Annual Incentive Amounts and/or PBRS Awards for any Plan Year is effective only for such Plan Year.

(e) Method of Election. Elections to participate may be made in writing, through an electronic medium such as a website enrollment window or an email enrollment form or through a Plan Administrator, provided that the election is binding when made and there is sufficient record of when such election is made.

3.2 Elections as to Time and Form of Payment. During the Enrollment Period, a Participant shall make an election regarding the time and form of payment of the Annual Incentive Amounts and PBRS Awards deferred for that Plan Year (and all earnings and losses (based on the Investment Rate) attributable thereto, including in respect of Dividend Equivalents).

(a) Elections as to Time. A Participant shall elect to receive a distribution of his Annual Incentive Amounts and PBRS Awards to be deferred for a Plan

Year (and all earnings and losses (based on the Investment Rate) attributable thereto, including in respect of Dividend Equivalents) (i) on an In-Service Distribution Date, (ii) on a Separation from Service Distribution Date or (iii) a portion on an In-Service Distribution Date and a portion on a Separation from Service Distribution Date; provided, however, that a Participant's In-Service Distribution Date may be no earlier than five years following the date on which the deferral of Annual Incentive Amounts and PBRS Awards, as applicable, is made.

(b) Elections as to Form. A Participant shall elect the form of the distribution of his Annual Incentive Amounts and PBRS Awards, whether in a lump sum payment or in annual installments. If no such election is made, the Participant shall be deemed to have elected to receive payment in a lump sum. A Participant may elect annual installments to be paid over a period not to exceed fifteen years. A Participant's election to receive payment in annual installments on a Separation from Service is subject to the terms of Section 6.2(a)(2).

(c) Application of Election. An election as to time and form of payment made with respect to a given Plan Year shall apply only to the Annual Incentive Amounts and PBRS Awards deferred for such Plan Year.

(d) No Changes Permitted. Except as permitted by Section 3.2(e) below, elections as to time and form of payment shall become irrevocable as of December 31 of the Plan Year for which Annual Incentive Amounts and PBRS Awards, as applicable, are deferred.

(e) Subsequent Changes in Time and Form of Payment. A Participant may delay the timing of a previously-scheduled payment or may change the form of a payment only if such subsequent deferral election meets all of the following requirements:

(i) the subsequent deferral election shall not take effect until at least 12 months after the date on which it is made;

(ii) the election must be made at least 12 months prior to the date the payment is scheduled to be made. For installment payments, the election must be made at least 12 months prior to the date the first payment in such installment was scheduled to be made; and

(iii) the subsequent deferral election must delay the payment for at least five years from the date the payment would otherwise have been made. For installment payments, the delay is measured from the date the first payment was scheduled to be made.

A Participant may make only one subsequent change with respect to deferrals made for a specific Plan Year.

(f) Initial elections and subsequent elections, if any, may be made in writing or through an electronic medium such as a website enrollment window or through an email enrollment form or through a Plan Administrator, provided that there is sufficient record of when such election is made.

3.3 Elections as to Deemed Investment Choices .

(a) Prior to the date on which the actual deferral of an Annual Incentive Amount in respect of Plan Year is made by the Company, a Participant shall make an election regarding how such Annual Incentive Amount shall be deemed to be invested for purposes of determining the amount of earnings or losses to be credited to the Participant's Accounts. If no such election is made in respect of Annual Incentive Amounts deferred in any Plan Year, then (i) the Participant shall be deemed to have made the same election made by such Participant in respect of the most recent Plan Year in which there was a deferral of Annual Incentive Amounts, and (ii) if no election contemplated by clause (i) has been made, the deferred Annual Incentive Amounts shall be deemed invested in the most risk-free type of Fund, as determined by the Committee in its sole and absolute discretion.

(b) Dividend Equivalents shall be deemed to be invested in the Fund specified for such purpose by the Committee from time to time and communicated to the Participant, and if no such communication is made, in the most risk-free type of Fund, as determined by the Committee in its sole and absolute discretion.

(c) The Committee shall select from time to time, in its sole and absolute discretion, investments of various types that shall be communicated to the Participant. The Investment Rate applicable to each Fund shall be used to determine the amount of earnings or losses to be credited to Participant's Bonus Deferral Subaccount and Company Matching Contribution Subaccount (and the portion of the Company Stock Unit Subaccount attributable solely to Dividend Equivalents). Deemed investment choices shall not be changed unless the Committee promulgates a rule of general application permitting such changes.

ARTICLE IV
DEFERRAL ACCOUNTS

4.1 Bonus Deferral Subaccount . The Company or Plan Administrator shall establish and maintain a Bonus Deferral Subaccount for each Participant under the Plan. Each Participant's Bonus Deferral Subaccount shall be further divided into separate subaccounts ("investment fund subaccounts"), each of which corresponds to a Fund elected by the Participant. A Participant's Bonus Deferral Subaccount shall be credited as follows:

(g) on the day the amounts are withheld and/or deferred from a Participant's Annual Incentive Amounts, with an amount equal to the Annual Incentive Amounts deferred by the Participant; and

(h) on a daily basis, each investment fund subaccount of a Participant's Bonus Deferral Subaccount shall be credited with earnings or losses based on the applicable Investment Rate.

4.2 Company Matching Contributions. The Company shall match 50% of the first $20,000 of Annual Incentive Amounts deferred by a Participant with respect to a Plan Year, but only if the Participant has elected for such Annual Incentive Amounts to be distributed following the Participant's Separation from Service; provided, however, that this matching contribution shall not be made with respect to any Participant who is either (i) an "officer" of the Company (as such term is defined under Rule 3b-7 of the Exchange Act) or (ii) a Corporate Vice President of the Company, in either case, determined as of the first day of the Plan Year. Notwithstanding the foregoing, Eligible Employees whose first day of active employment with the Company is on or after January 1, 2015 are not eligible to receive any Company Matching Contributions.

4.3 Company Matching Contribution Subaccount. The Company or Plan Administrator shall establish and maintain a Company Matching Contribution Subaccount for each Participant who receives a Company Matching Contribution under the Plan. A Participant's Company Matching Contribution Subaccount shall be further divided into separate investment fund subaccounts, each of which corresponds to a Fund elected by the Participant. A Participant's Company Matching Contribution Subaccount shall be credited as follows:

(a) on the day such amount is deemed contributed, with an amount equal to the Company Matching Contribution Amount, if any; and

(b) on a daily basis, each investment fund subaccount of a Participant's Company Matching Contribution Subaccount shall be credited with earnings or losses based on the applicable Investment Rate.

4.4 Company Stock Unit Subaccount. The Company or Plan Administrator shall establish and maintain a Company Stock Unit Subaccount for each Participant who elects to defer receipt of a PBRS Award. A Participant's Company Stock Unit Subaccount shall be credited as follows:

(a) on the day shares of Company Common Stock would otherwise be issued to the Participant under the PBRS Program, with a number of Company stock units equal to the number of shares of Company Common Stock earned by the Participant under the PBRS Program; and

(b) on the day dividends are paid to stockholders of the Company in respect of shares of Company Common Stock, an amount equal to the Dividend Equivalents; and

(c) on a daily basis, the investment fund subaccount of a Participant's Company Stock Unit Subaccount shall be credited with earnings or losses on the Dividend Equivalents based on the applicable Investment Rate.

ARTICLE V
VESTING

5.1 Vesting . A Participant shall be 100% vested at all times in his or her Bonus Deferral Subaccount. A Participant shall vest in his or her Company Matching Contribution Account at the time such Participant either (i) attains 65 years of age, or (ii) attains ten (10) years of service credited with the Company and its subsidiaries. The Committee in its sole discretion may credit a Participant with additional periods of service solely for purposes of vesting in his or her Company Matching Contribution Account. A Participant shall vest in his or her Company Stock Unit Subaccount with respect to the Company stock units therein attributable to a PBRS Award on the date on which such PBRS Award would otherwise have vested had the Participant not elected to defer receipt of the Company Common Stock issuable pursuant to such PBRS Award. A Participant shall be 100% vested at all times in the portion of his or her Company Stock Unit Subaccount attributable to Dividend Equivalents (and earnings and losses attributable thereto), notwithstanding that the underlying Company stock units in respect of which such Dividend Equivalents are credited may not yet have vested

5.2 Vesting Upon Death or Disability . Upon death or the Disability of a Participant, the Participant shall be 100% vested in his or her Company Matching Contribution Subaccount.

ARTICLE VI
DISTRIBUTIONS

Distributions from the Plan shall be made only in accordance with this Article VI. All distributions shall be in cash, except as otherwise may occur pursuant to Section 6.3, or as provided in Section 6.5, in either case, in respect of PBRS Awards.

6.1 Distribution of Accounts While Employed .

(c) Scheduled Distributions .

(2) In respect of all Distributable Amounts payable in a lump sum on an In-Service Distribution Date, the value thereof shall be determined as of the ninth day of the month of September in which the In-Service Distribution Date occurs, and the distribution thereof shall be made as soon as administratively possible (and in no event later than 90 days) thereafter. In respect of all Distributable Amounts payable in installments on an In-Service Distribution Date, all installments shall be valued as of the ninth day of the month of September in each applicable year, and the distribution thereof shall be made as soon as administratively practicable (and in no event later than 90 days) thereafter.

(3) In the event a Participant has a Separation from Service prior to such Participant's In-Service Distribution Date, then the provisions of Section 6.2 shall instead apply to such distribution.

(d) Except as provided in Section 6.3, no unscheduled in-service distributions are permitted.

6.2 Distribution of Accounts after Separation from Service . If a Participant has a Separation from Service, the provisions of this Section 6.2 shall apply to the distribution of the Participant's Accounts.

(d) Separation from Service .

(1) Age 55 with Ten Years of Service, or Age 65 . At the time of the Participant's Separation from Service, if the Participant has either (i) attained age 55 and has completed ten years of service, or (ii) attained age 65, then the Participant's Account shall be distributed in accordance with the Participant's elections.

(A) Lump Sum . For Distributable Amounts for which the Participant has elected (or be deemed to have elected) a lump sum, the value thereof shall be determined as of the ninth day of the seventh month following the Separation from Service, and the distribution thereof shall be made as soon as administratively possible (and in no event later than 90 days) thereafter. If (i) a Participant has made an irrevocable election to defer his Annual Incentive Amounts, (ii) such Annual Incentive Amounts are deferred after the Participant's Account has been distributed, and (iii) the Participant had elected to receive a lump sum distribution, then the additional Account balance shall be valued and distributed on the ninth day of the month immediately following the date the Annual Incentive Amounts are deferred.

(B) Installment Payments . For Distributable Amounts for which the Participant has elected installments, (i) the first installment shall be valued as of the ninth day of the seventh month following the Separation from Service, and the distribution thereof shall be made as soon as administratively possible (and in no event later than 90 days) thereafter, and (ii) each subsequent installment shall be valued as of the ninth day of September of each of the following calendar years, and the distribution thereof shall be made as soon as administratively possible (and in no event later than 90 days) thereafter. For the avoidance of doubt, under no circumstances shall two installments be paid in a single calendar year. If (x) a Participant has made an irrevocable election to defer his Annual Incentive, (y) such Annual Incentive is deferred after the Participant's Account has started to be distributed, and (z) the Participant had elected to receive installment payments, the additional deferral shall be added to the Participant's balance in his Bonus Deferral Subaccount and shall be distributed in accordance with the installment election.

(2) All other Separations from Service. If, at the time of the Participant’s Separation from Service, a Participant has neither (i) attained age 55 and has completed ten years of service nor (ii) attained age 65, then the Participant’s entire Account balance shall be distributed in a single lump sum. In any such case, the Distributable Amounts shall be valued as of the ninth day of the seventh month following the Separation from Service, and the distribution thereof shall be made as soon as administratively possible (and in no event later than 90 days) thereafter.

(e) Death. In the case of the death of a Participant, either while employed by the Company or prior to distribution of the Participant’s entire Account balance, the Participant’s Account balance shall be distributed to the Participant’s Beneficiary as soon as administratively possible and in no event later than 90 days following the death of the Participant. The value of the Participant’s Account shall be determined as of the date on which the Participant dies.

(f) Disability. In the case of the Disability of a Participant prior to the commencement of distribution of the Participant’s Account balance, the Participant’s Account balance shall be distributed to the Participant in a lump sum as soon as administratively possible (and in no event later than 90 days) after it has been determined by the Committee that the Participant suffers from a Disability. The value of the Participant’s Account shall be determined as of the date on which it has been determined by the Committee that the Participant suffers from a Disability.

6.3 Unforeseeable Emergency. A Participant shall be permitted to elect a distribution from his Bonus Deferral Subaccount, vested Company Matching Contribution Subaccount and/or vested Company Stock Unit Subaccount, if any, prior to the date the Accounts were otherwise to be distributed in the event of an Unforeseeable Emergency, subject to the following restrictions:

(a) the election to take a distribution due to an Unforeseeable Emergency shall be made by requesting such a distribution in writing to the Committee, including the amount requested and a description of the need for the distribution;

(b) the Committee shall make a determination, in its sole discretion, that the requested distribution is on account of an Unforeseeable Emergency; and

(c) the Unforeseeable Emergency cannot be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Participant’s assets, to the extent the liquidation of assets would not itself cause severe financial hardship, or (iii) by cessation of deferrals under this Plan.

The amount determined by the Committee as distributable due to an Unforeseeable Emergency shall be paid within 30 days after the request for the distribution is approved by the Committee. The value of the Participant’s Account shall be determined as of the date on which the distribution request was made.

6.4 Valuation Date . In the event that any valuation date contemplated by Section 6.1 or Section 6.2 is not a business day, then the valuation date shall be the immediately preceding business day.

6.5 PBRS Awards . All distributions from the Company Stock Unit Subaccount attributable to deferrals of PBRS Awards (but not Dividend Equivalents or earnings and losses attributable to such Dividend Equivalents) shall be made in the form of one share of Company Common Stock for each Company stock unit therein. All shares of Company Common Stock ultimately distributed in respect of Company stock units under the Company Stock Unit Subaccount will be issued under the 2008 Omnibus Award Plan (or any successor plan).

ARTICLE VII
ADMINISTRATION

7.1 Committee . A Committee shall be appointed by, and serve at the pleasure of, the Compensation Committee. The number of members comprising the Committee shall be determined by the Compensation Committee, which may from time to time vary the number of members. A member of the Committee may resign by delivering a written notice of resignation to the Compensation Committee. The Compensation Committee or the Board may remove any member, with or without cause, by delivering a copy of its resolution of removal to such member.

7.2 Committee Action . The Committee shall act at meetings by affirmative vote of a majority of the members of the Committee. Any action permitted to be taken at a meeting may be taken without a meeting if, prior to such action, a written consent to the action is signed by a majority of members of the Committee and such written consent is filed with the minutes of the proceedings of the Committee. A member of the Committee shall not vote or act upon any matter which relates solely to himself or herself as a Participant. Any member of the Committee may execute any certificate or other written direction on behalf of the Committee.

7.3 Powers of the Committee . The Committee, on behalf of the Participants and their Beneficiaries, shall enforce the Plan in accordance with its terms, shall be charged with the general administration of the Plan, and shall have all powers necessary to accomplish its purposes, including, but not limited to, the following:

(a) to select the Funds;

(b) to construe and interpret the terms and provisions of this Plan;

(c) to compute and certify to the amount and kind of benefits payable to Participants and their Beneficiaries;

(d) to maintain all records that may be necessary for the administration of the Plan;

(e) to provide for the disclosure of all information and the filing or provision of all reports and statements to Participants, Beneficiaries or governmental agencies as shall be required by law;

(f) to make and publish such rules for the regulation of the Plan and procedures for the administration of the Plan as are not inconsistent with the terms hereof;

(g) to appoint a Plan Administrator, or any other agent, and to delegate to them such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe; and

(h) to take all actions necessary for the administration of the Plan.

7.4 Construction and Interpretation . The Committee shall have full discretion to construe and interpret the terms and provisions of this Plan, which interpretations or construction shall be final and binding on all parties, including but not limited to the Company and any Participant or Beneficiary.

7.5 Compensation, Expenses and Indemnity .

(a) The members of the Committee shall serve without compensation for their services hereunder.

(b) The Committee is authorized at the expense of the Company to employ such legal counsel as it may deem advisable to assist in the performance of its duties hereunder. Expenses and fees in connection with the administration of the Plan shall be paid by the Company.

ARTICLE VIII
MISCELLANEOUS

8.1 Unsecured General Creditor . Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, claims, or interest in any specific property or assets of the Company. No assets of the Company shall be held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all of the Company’s assets shall be, and remain, the general unpledged, unrestricted assets of the Company. The Company’s obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future, and the rights of the Participants and Beneficiaries shall be no greater than those of unsecured general creditors. It is the intention of the Company that this Plan be unfunded for purposes of the Code and for purposes of Title I of ERISA.

8.2 Restriction Against Assignment. The Company shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or corporation. No part of a Participant's Accounts shall be liable for the debts, contracts, or engagements of any Participant, his or her Beneficiary, or successors in interest, nor shall a Participant's Accounts be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, sell, transfer, commute, pledge, encumber, or assign any benefits or payments hereunder in any manner whatsoever. Notwithstanding anything in the Plan to the contrary, a Participant shall be permitted to instruct the Committee (which instruction shall be effective unless the Committee disapproves the instruction) that all or a portion of his or her Accounts be assigned and conveyed to another person or entity pursuant to a domestic relations order (as defined in Section 414(p)(1)(B) of the Code), and payments pursuant to any such Accounts (or portion thereof) that have been so assigned and conveyed may be paid to such other person or entity in accordance therewith (and to the extent permitted under Section 409A of the Code).

8.3 Withholding. There shall be deducted from each payment made under the Plan or any other compensation payable to the Participant (or Beneficiary) all taxes which are required to be withheld by the Company in respect to such payment or this Plan. The Company shall have the right to reduce any payment (or compensation), or the amount credited to a Participant's Account, by the amount of cash (or equivalent value of Company stock units, as applicable, as determined by the Committee) sufficient to provide the amount of said taxes.

8.4 Amendment, Modification, Suspension or Termination. The Compensation Committee may amend, modify, suspend or terminate the Plan in whole or in part, except that no amendment, modification, suspension or termination shall have any retroactive effect to reduce any amounts allocated to a Participant's Accounts. The Committee may also amend the Plan, provided that the Committee may only adopt amendments that (i) do not have a negative material financial impact on the Company; or (ii) are required by tax or legal statutes, regulations or pronouncements.

8.5 Governing Law. Except to extent preempted by Federal law, this Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware applicable to contracts made and performed wholly within the State of Delaware, without giving effect to the conflict of laws provisions thereof.

8.6 Receipt or Release. Any payment to a Participant or the Participant's Beneficiary in accordance with the provisions of the Plan shall, to the extent thereof, be in full satisfaction of all claims against the Committee and the Company. The Committee may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect.

8.7 Limitation of Rights and Employment Relationship. Neither the establishment of the Plan nor any modification thereof, nor the creating of any fund or account, nor the payment of any benefits shall be construed as giving to any Participant, or Beneficiary or other person any legal or equitable right against the Company except as provided in the Plan; and in no event shall the terms of employment of any Employee or Participant be modified or in any way be affected by the provisions of the Plan.

8.8 Headings . Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

8.9 Section 409A . All provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code (" Section 409A "). If the Committee determines that any amounts payable hereunder may be taxable to a Participant under Section 409A, the Company may (i) adopt such amendments to the Plan and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and/or (ii) take such other actions as the Committee determines necessary or appropriate to avoid or limit the imposition of an additional tax under Section 409A; provided, that the Company shall have no liability to a Participant or Beneficiary with respect to the tax imposed by Section 409A.

As evidence of the amendment and restatement of this Plan, effective July 25, 2014, by Automatic Data Processing, Inc., this document is signed by a duly authorized officer.

AUTOMATIC DATA PROCESSING, INC.

By: /s/ Michael A. Bonarti

Name: Michael A. Bonarti
Title: Vice President, General Counsel and Secretary

EXHIBIT 10.8

AUTOMATIC DATA PROCESSING, INC.
CHANGE IN CONTROL SEVERANCE PLAN
FOR
CORPORATE OFFICERS
(as amended as of August 5, 2014)

The purpose of this Change in Control Severance Plan for Corporate Officers (the "Plan") is to enable Automatic Data Processing, Inc., a Delaware corporation (the "Company"), to offer a form of income protection to "Participants" (as defined in Section 7.5 below) in the event their employment with the Company terminates under certain circumstances due to a "Change in Control" (as defined in Section 7.2 below).

ARTICLE I: BENEFITS

1.1 Eligibility for Benefits; Benefits; Payment; and Rights of Participants .

(a) If a Change in Control occurs prior to the date a Participant's employment with the Company terminates, then upon the termination of the Participant's employment by the Company without "Cause" (as defined in Section 7.1 below) or by the Participant for "Good Reason" (as defined in Section 7.4 below), in either case during the two-year period following the Change in Control (individually, a "Qualifying Termination"), such Participant shall be paid an amount (the "Severance Benefit") equal to 150% (or in the case of the Company's Chief Executive Officer, 200%) of the Participant's "Current Total Annual Compensation" (as defined in Section 7.3 below).

(b) Any Participant entitled to a Severance Benefit (in accordance with Section 1.1(a) above) shall receive his Severance Benefit in the form of a lump-sum payment within 60 business days, or at such earlier time as required by applicable law, after his employment with the Company terminates.

1.2 Additional Benefits . A Participant entitled to receive a Severance Benefit shall also receive the following additional benefits:

(a) The Company shall cause options to purchase Company stock ("Stock Options") held by a Participant that are not fully vested and exercisable on the date of the Qualifying Termination to become fully vested and exercisable as of the date of such Qualifying Termination.

(b) The Company shall cause unvested restricted shares of Company stock (the "Restricted Shares") and unvested restricted stock units (the "RSUs") held by a Participant on the date of the Qualifying Termination, that, in either case, are subject to vesting based solely on the Participant's continued service to the Company, to become fully vested (and in the case of RSUs, settled) as of the date of such Qualifying Termination.

(c) The number of shares of Company stock a Participant would have been entitled to receive had the performance goals been achieved at the 100% target rate in each of the then-ongoing performance-based restricted stock programs (PBRS) and performance stock unit programs (PSU), and/or any successor programs to the PBRS and PSU programs, shall be granted by the Company to such Participant on the date of the Qualifying Termination without any further vesting conditions.

(d) The cash amount a Participant would have been entitled to receive had the performance goals been achieved at the 100% target rate in each of the then-ongoing performance-based restricted unit programs (PBRU), and/or any successor programs to the PBRU programs, shall be paid by the Company to such Participant on the date of the Qualifying Termination.

1.3 Reduction of Payments. If a Participant's receipt of any payment and/or non-monetary benefit under this Plan (including, without limitation, the accelerated vesting of Stock Options, Restricted Shares, and/or awards under the PBRS, PBRU, and/or PSU programs, and any successor programs) (collectively, the "Payments") would, in the determination of the Company, cause him to become subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the Company shall reduce his Payments in the manner and in the amounts determined by the Company to be necessary to avoid the application of such excise tax (the "Reduced Amount"); *provided*, that the foregoing shall not apply if the Company determines that, if such Payments were not so reduced, the net amount of Payments that the Participant would receive after payment of such excise tax would be greater than the Reduced Amount. Any determinations by the Company pursuant to this Section 1.3 shall be binding upon the Company and the Participant.

1.4 Rights of Participants. Nothing contained herein shall be held or construed to create any liability or obligation on the Company to retain any Participant in its service or in a corporate officer position. All Participants shall remain subject to discharge or discipline to the same extent as if the Plan did not exist.

1.5 Release of Claims. All payments and benefits hereunder shall be delayed until the Participant executes and delivers to the Company within 45 days following his Qualifying Termination an irrevocable general release of all claims against the Company and its subsidiaries, affiliates, and related persons in a form provided by the Company. If a Participant fails to timely execute such release or timely revokes his acceptance of such release, the Participant shall not be entitled to any severance payments or benefits hereunder.

ARTICLE II: FUNDING

2.1 Funding. The Plan shall be funded out of the general assets of the Company as and when benefits are payable under the Plan. All Participants shall be solely general creditors of the Company.

ARTICLE III: ADMINISTRATION OF THE PLAN

3.1 Plan Administrator. The general administration of the Plan shall be placed with the Compensation Committee of the Board of Directors of the Company (the "Board") or an administrative committee appointed by the Board (the "Committee").

3.2 Reimbursement of Expenses of Committee. The Company shall pay or reimburse the members of the Committee for all reasonable expenses incurred in connection with their duties hereunder.

3.3 Action by the Plan Committee. Decisions of the Committee shall be made by a majority of its members attending a meeting at which a quorum is present (which meeting may be held telephonically), or by written action in accordance with applicable law. No member of the Committee may act with respect to a matter which involves only that member.

3.4 Delegation of Authority. The Committee may delegate any and all of its powers and responsibilities hereunder to other persons by formal resolution filed with and accepted by the Board. Any such delegation shall not be effective until it is accepted by the Board and the persons designated and may be rescinded at any time by written notice from the Committee to the person to whom the delegation is made.

3.5 Retention of Professional Assistance. The Committee may employ such legal counsel, accountants and other persons as may be required in carrying out its work in connection with the Plan, and the Company shall pay the fees and expenses of such persons.

3.6 Accounts and Records. The Committee shall maintain such accounts and records regarding the fiscal and other transactions of the Plan, and such other data as may be required to carry out its functions under the Plan and to comply with all applicable laws.

3.7 Compliance with Applicable Law. The Company shall be deemed the administrator of the Plan for the purposes of any applicable law and shall be responsible for the preparation and filing of any required returns, reports, statements or other filings with appropriate governmental agencies. The Company shall also be responsible for the preparation and delivery of information to persons entitled to such information under any applicable law.

3.8 Reimbursement of Expenses. If any contest or dispute shall arise under this Plan involving termination of a Participant's employment with the Company or involving the failure or refusal of the Company to perform fully in accordance with the terms hereof, the Company shall, immediately after the date a court issues a final order from which no appeal can be taken, or with respect to which the time period to appeal has expired, reimburse such Participant for all reasonable legal fees and expenses, if any, paid by the Participant in connection with such contest or dispute (together with interest in an amount equal to the JP Morgan Chase & Co. prime rate from time to time in effect, such interest to begin to accrue on the dates Participant actually paid such fees and expenses through the date of payment thereof); provided, however, the Participant shall not be entitled to any reimbursement for his legal fees and expenses if a court has made a final determination that the Participant's position was without merit.

ARTICLE IV: AMENDMENT AND TERMINATION

4.1 Amendment and Termination. The Company reserves the right to amend or terminate, in whole or in part, any or all of the provisions of this Plan by action of the Board at any time; provided, that, during the two-year period following a Change in Control, the Company shall no longer have the power to amend or terminate the Plan in any manner adverse to Participants, except for amendments to comply with changes in applicable law which do not reduce the benefits and payments due hereunder in the event of a Qualifying Termination; provided, further, that, in no event shall any amendment reducing the benefits provided hereunder or any Plan termination be effective until at least six months after the date of the applicable action by the Board.

ARTICLE V: SUCCESSORS

5.1 Successors. The Company shall require any successor or assignee, whether direct or indirect, by purchase, merger, consolidation or otherwise, to all or substantially all the business or assets of the Company, expressly and unconditionally to assume and agree to perform the Company's obligations under this Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place. In such event, the term "Company," as used in this Plan, shall mean the Company, as applicable, as hereinbefore defined and any successor or assignee to the business or assets which by reason hereof becomes bound by the terms and provisions of this Plan.

ARTICLE VI: MISCELLANEOUS

6.1 No Duty to Mitigate/Set-off. No Participant entitled to receive a Severance Benefit shall be required to seek other employment or to attempt in any way to reduce any amounts payable to him pursuant to this Plan. The Severance Benefit payable hereunder shall not be reduced by any compensation earned by the Participant as a result of employment by another employer or otherwise. The Company's obligations to pay the Severance Benefits and to perform its obligations hereunder shall not be affected by any circumstances including without limitation, any set off, counterclaim, recoupment, defense or other right which the Company may have against the Participant.

6.2 Headings. The headings of the Plan are inserted for convenience of reference only and shall have no effect upon the meaning of the provisions hereof.

6.3 Use of Words. Whenever used in this instrument, a masculine pronoun shall be deemed to include the masculine and feminine gender, and a singular word shall be deemed to include the singular and plural, in all cases where the context so requires.

6.4 Controlling Law. The construction and administration of the Plan shall be governed the laws of the State of New

York (without reference to rules relating to conflicts of law).

6.5 Withholding . The Company shall have the right to make such provisions as it deems necessary or appropriate to satisfy any obligations it reasonably believes it may have to withhold federal, state or local income or other taxes incurred by reason of payments pursuant to this Plan.

6.6 Severability . Should any provision of the Plan be deemed or held to be unlawful or invalid for any reason, such fact shall not adversely affect the other provisions of the Plan unless such determination shall render impossible or impracticable the functioning of the Plan, and in such case, an appropriate provision or provisions shall be adopted so that the Plan may continue to function properly.

6.7 Rights Under Other Plans, Policies, Practices and Agreements .

(a) Other than as expressly provided herein, the Plan does not supersede any other plans, policies, and/or practices of the Company.

(b) The Plan supersedes any other change in control severance plans, policies and/or practices of the Company as to the Participants; provided, that, the Plan shall not supersede any individual executed agreement or arrangement between a single Participant and the Company in effect on March 21, 2001 or thereafter, which agreement specifically addresses payments or benefits made or provided upon termination of employment or in connection with a Change in Control including, but not limited to, the agreements set out on Appendix "A" hereto (an "Additional Agreement"). If a Participant is due benefits or payments under both an Additional Agreement and the Plan and/or where the Plan and the applicable Additional Agreement have inconsistent or conflicting terms and conditions, the Participant shall receive the greater of the benefits and payments, and the more favorable terms and conditions to him, under the Additional Agreement and the Plan, determined on an item-by-item basis.

6.8 Insurance . The Company shall continue to cover the Participants, or cause the Participants to be covered, under any director and officer insurance maintained after a Change in Control for directors and officers of the Company or its successor (whether by the Company or another entity) at no less of a level as that maintained by the Company or its successor for its directors and officers. Such coverage shall continue for any period during which the Participant may have any liability for his actions or omissions. Following a Change in Control and in addition to any rights under any other indemnification agreement, the Company or its successor shall indemnify the Participant to the fullest extent permitted by law against any claims, suits, judgments, expenses arising from, out of, or in connection with the Participant's services as an officer or director of the Company, or as a fiduciary of any benefit plan of the Company.

ARTICLE VII: DEFINITIONS .

7.1 "Cause" shall mean: (A) gross negligence or willful misconduct by a Participant which is materially injurious to the Company, monetarily or otherwise; (B) misappropriation or fraud with regard to the Company or its assets; (C) conviction of, or the pleading of guilty or nolo contendere to, a felony involving the assets or business of the Company; or (D) willful and continued failure to substantially perform his duties after written notice by the Board. For purpose of the preceding sentence, no act or failure to act by a Participant shall be considered "willful" unless done or omitted to be done by such Participant in bad faith and without reasonable belief that the Participant's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board, or based upon the advice of counsel for the Company, shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company.

7.2 "Change in Control" shall mean the consummation of any of the following: (A) any "Person" (as defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), excluding the Company, any subsidiary of the Company, or any employee benefit plan sponsored or maintained by the Company (including any trustee of any such plan acting in his capacity as trustee), becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of securities of the Company representing 35% or more of the total combined voting power of the Company's then outstanding securities; (B) the merger, consolidation or other business combination of the Company (a "Transaction"), other than a Transaction immediately following which the stockholders of the Company immediately prior to the Transaction continue to be the beneficial owners of securities of the resulting entity representing more than 65% of the voting power in the resulting entity, in substantially the same proportions as their ownership of Company voting securities immediately prior to the Transaction; or (C) the sale of all or substantially all of the Company's assets, other than a sale immediately following which the stockholders of the Company immediately prior to the sale are the beneficial owners of securities of the purchasing entity representing more than 65% of the voting power in the purchasing entity, in substantially the same proportions as their ownership of Company voting securities immediately prior to the Transaction.

7.3 "Current Total Annual Compensation" shall be the sum of the following amounts: (A) the greater of a Participant's highest rate of annual salary during the calendar year in which his employment terminates or such Participant's highest rate of annual salary during the calendar year immediately prior to the year of such termination; and (B) the average of a Participant's annual bonus compensation (prior to any bonus deferral election) earned in respect of the two most recent calendar years immediately preceding the calendar year in which the Participant's employment terminated.

7.4 "Good Reason" shall mean the occurrence of any of the following events after a Change in Control without the Participant's express written consent: (A) material diminution in the Participant's position, duties, responsibilities or authority as of the date immediately prior to the Change in Control; or (B) a reduction in a Participant's base compensation or a failure to provide incentive compensation opportunities at least as favorable in the aggregate as those provided immediately prior to the Change in Control; or (C) failure to provide employee benefits at least as favorable in the aggregate as those provided immediately prior to the Change in Control; or (D) a failure of any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) of the Company to assume in writing the obligations hereunder. A termination for Good Reason shall mean a termination by a Participant effected by written notice given by the Participant to the Company within 30 days after the occurrence of the Good Reason event, unless the Company shall, within 15 days after receiving such notice, take such action as is necessary to fully remedy such Good Reason event in which case the Good Reason event shall be deemed to have not occurred.

7.5 "Participant" shall mean an employee who is a corporate officer of the Company on the date of a Change in Control as a result of his election by the Board. Notwithstanding the foregoing, if an employee who is not a corporate officer on the date of a Change in Control reasonably demonstrates that, in contemplation of the Change in Control or at the request of a party which subsequently causes a Change in Control, the Company removed him from such office, such employee shall also be a Participant.

As authorized by the Compensation Committee of the Board of Directors of Automatic Data Processing, Inc. on January 23, 2001, and as ratified and adopted by the Board of Directors of Automatic Data Processing, Inc. on March 21, 2001, and as further amended by the Compensation Committee of the Board of Directors of Automatic Data Processing, Inc. on June 15, 2006, and on August 5, 2014.

AUTOMATIC DATA PROCESSING, INC.

AMENDED AND RESTATED EMPLOYEES' SAVINGS–STOCK PURCHASE PLAN

The following is an amendment and restatement of the Employees' Savings-Stock Purchase Plan of Automatic Data Processing, Inc., originally adopted on May 2, 1968 and approved by stockholders on October 31, 1968, as amended and restated effective June 6, 2014.

1. Purpose . The purpose of the Plan is to provide eligible employees of the Company and its Designated Subsidiaries with a convenient opportunity to purchase Common Stock of the Company. It is the intention of the Company to have the Plan qualify as an "Employee Stock Purchase Plan" under Section 423 of the Code. The provisions of the Plan shall, accordingly, be construed so as to extend and limit participation in a manner consistent with the requirements of that section of the Code.

2. Definitions .

(a) " **Administration Committee** " means a committee appointed by the Board. In the absence of a contrary designation by the Board, the Administration Committee shall be the Compensation Committee of the Board.

(b) " **Board** " means the Board of Directors of the Company.

(c) " **Code** " means the United States Internal Revenue Code of 1986, as amended.

(d) " **Common Stock** " means the Common Stock of the Company, par value $.10 per share.

(e) " **Company** " means Automatic Data Processing, Inc., a Delaware corporation.

(f) " **Compensation** " means the base salary (determined on such date as may be established by the Administration Committee) received by an Employee from the Company or a Designated Subsidiary; provided , however , that for sales Employees "Compensation" may be established using the Company's "sales benefits earnings calculation" in effect from time to time, or such other method as may be determined by the Administration Committee.

(g) " **Continuous Status as an Employee** " means the absence of any interruption or termination of service as an Employee. Continuous Status as an Employee shall not be considered interrupted in the case of: (i) sick leave, military leave, or other bona fide leave of absence which is required by law to be considered uninterrupted service or which is otherwise approved by the Administration Committee if the period of such leave does not exceed 90 days, or if longer, so long as the individual's right to reemployment as an Employee is guaranteed either by contract or statute; or (ii) transfers between locations of the Company or between and among the Company and its Designated Subsidiaries. For purposes of clarification, the disposition of a Designated Subsidiary shall constitute a termination of the Continuous Status as an Employee of any Employee employed by such Designated Subsidiary.

(h) " **Contributions** " means all amounts credited to the account of a Participant pursuant to the Plan.

(i) " **Corporate Transaction** " means a sale of all or substantially all of the Company's assets, or a merger, consolidation or other capital reorganization of the Company with or into another corporation, or any other transaction or series of related transactions in which the Company's stockholders immediately prior thereto own less than 50% of the voting stock of the Company (or its successor or parent) immediately thereafter.

(j) " **Designated Broker** " shall mean Smith Barney, or such other institution selected by the

Administration Committee.

(k) " **Designated Subsidiaries** " means all Subsidiaries organized under the laws of any state of the United States of America, except with respect to any of such Subsidiaries which the Board or the Administration Committee has determined is not eligible to participate in the Plan; provided , however , that Subsidiaries employing as a service for clients any worksite, leased, or similar type employees under a professional employer, employee leasing, or similar type of employment relationship shall not be Designated Subsidiaries.

(l) " **Employee** " means any person who is an employee of the Company or one of its Designated Subsidiaries for tax purposes and who is customarily employed thereby for at least twenty hours per week.

(m) " **Exchange Act** " means the United States Securities Exchange Act of 1934, as amended.

(n) " **Fair Market Value** " means, for any date, the closing sales price of a Share on the primary exchange on which the Common Stock is traded on such date or, in the event that the Common Stock is not traded on such date, then the immediately preceding trading date.

(o) " **Maximum Number of Shares** " means an amount of Shares equal to the quotient of (x) $12,500 divided by (y) the Fair Market Value of a Share on the first day of the applicable Offering Period.

(p) " **New Purchase Date** " shall have the meaning ascribed to it in Section 16(b).

(q) " **Offering Date** " means the first day of each Offering Period, as determined in accordance with Section 3.

(r) " **Offering Period** " means the period described in Section 3.

(s) " **Plan** " means this Automatic Data Processing, Inc. Amended and Restated Employees' Savings–Stock Purchase Plan.

(t) " **Participant** " means an eligible Employee who has elected to participate in the Plan in accordance with Section 5.

(u) " **Purchase Date** " means the last day of each Offering Period.

(v) " **Purchase Price** " means an amount equal to 95% of the Fair Market Value of a Share on the Purchase Date for an Offering Period.

(w) " **Reserves** " shall have the meaning ascribed to it in Section 16(a).

(x) " **Rule 16b-3** " means Rule 16b-3 adopted under Section 16 of the Exchange Act.

(y) " **Share** " means a share of Common Stock, as adjusted in accordance with Section 16.

(z) " **Subsidiary** " means a corporation which is a "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code.

3. Offering Periods . The Plan shall be implemented by a series of consecutive Offering Periods commencing on July 2 and January 2 of each calendar year and ending on the following January 1 and July 1, respectively; provided , however , that the Administration Committee may determine that any Offering Period shall commence on a different date and/or be of a different duration.

4. Eligibility . Subject to the requirements of Section 5 and the limitations imposed by Section 423(b) of the Code (and unless different dates are established by the Administration Committee in respect of any Offering Period), a person shall be eligible to participate in an Offering Period if such person is (i) with respect to Offering Periods that commence on July 2, an Employee of the Company or a Designated Subsidiary from the immediately preceding May 25th (or, if such date is not a business day, the next following business day) through and including the

Offering Date for such Offering Period and (ii) with respect to Offering Periods that commence on January 2, an Employee of the Company or a Designated Subsidiary from the immediately preceding November 25 th (or, if such date is not a business day, the next following business day) through and including the Offering Date for such Offering Period.

5. Participation .

(a) An eligible Employee may become a Participant in respect of an Offering Period by electing to participate in the manner approved by the Administration Committee. An Employee that elects to participate in an Offering Period shall do so prior to the tenth day preceding the first day of the applicable Offering Period (or, if such date is not a business day, the next following business day), unless a different time for electing to participate is set by the Administration Committee.

(b) A Participant's election shall indicate either a fixed dollar amount or a non-fractional percentage of such Participant's Compensation, in either case, as may be determined by the Administration Committee, to be contributed during the applicable Offering Period; provided , however , that (i) a Participant's election shall be subject to the limitations of Section 7(b), and (ii) a Participant shall not be entitled to elect more than 5% of such Participant's Compensation.

6. Method of Payment of Contributions .

(a) Payroll deductions shall be made from a Participant's Compensation during an Offering Period in an aggregate amount equal to the Participant's contribution election for such Offering Period. All payroll deductions made by a Participant shall be credited to his or her account under the Plan. Participant may not make a prepayment or any additional payments into such account. Payroll deductions in respect of any Offering Period shall commence on the first full payroll following the first day of the associated Offering Period and shall end on the last payroll paid on or prior to the Purchase Date of such Offering Period, unless sooner terminated by the Participant as provided in Section 10.

(b) A Participant may elect at any time during an Offering Period (but with prospective effect only) to reduce (but not increase) the payroll deduction percentage he or she has elected in respect of such Offering Period in accordance with such procedures as may be established by the Administration Committee.

(c) Participants on an authorized leave of absence during an Offering Period may continue to participate in such Offering Period; provided , however , that a Participant on an authorized leave of absence will have contributions suspended during such leave of absence and, absent any other instruction from such Participant, such contributions will resume upon the next payroll following such Participant's return from such leave of absence.

(d) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 7(b) herein, a Participant's payroll deductions may be decreased by the Company to zero during any Offering Period.

7. Grant of Option .

(a) On each Offering Date, each Participant shall be deemed to have been granted an option to purchase as many Shares (rounded down to the nearest whole Share or fractional Share as determined by the Board or the Administrative Committee) as may be purchased with his or her Contributions during the related Offering Period at the Purchase Price; provided , however , that such option shall be subject to the limitations set forth in Section 7(b) below, Section 11, and may be reduced pursuant to Section 6, in each case, if applicable.

(b) Notwithstanding any contrary provisions of the Plan, each option to purchase Shares under the Plan shall be limited as necessary to prevent any Employee from (i) immediately after the grant, owning capital stock of the Company and holding outstanding options to purchase capital stock of the Company possessing, in the aggregate, more than five percent of the total combined voting power or value of all classes of stock of the Company or of any Subsidiary, including for this purpose any stock attributed to such Employee pursuant to Section 424(d) of the Code, (ii) acquiring rights to purchase stock under all employee stock purchase plans (as described in Section 423 of the Code or any other similar arrangements maintained by the Company or any of its Subsidiaries) of the Company and its Subsidiaries which accrue at a rate that exceeds $25,000 of the Fair Market Value of such stock (determined at the time such option is granted) for each calendar year in which such option is outstanding and exercisable at any time or (iii) purchasing, in respect of any Offering Period, more than the Maximum Number of Shares.

8. Exercise of Option; Interest .

(a) Unless a Participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of Shares will be exercised automatically on each Purchase Date, and the number of Shares subject to the option will be purchased at the applicable Purchase Price with the accumulated Contributions in his or her account. The Board or the Administration Committee may in its discretion permit the issuance of fractional Shares. Interest on Contributions (as calculated in accordance with Section 8(c)) and any amounts accumulated in a Participant's account that are not used to purchase Shares (if any) shall be refunded to the Participant in cash. Notwithstanding Section 9 below, the Shares purchased upon exercise of an option hereunder shall be deemed to be transferred to the Participant as of the Purchase Date. During his or her lifetime, a Participant's option to purchase Shares hereunder is exercisable only by him or her.

(b) At the time an option granted under the Plan is exercised, in whole or in part, or at the time some or all of the Common Stock issued to a Participant under the Plan is disposed of, the Participant must make adequate provisions for any applicable federal, state or other tax withholding obligations, if any, which arise upon the Purchase Date or the disposition of the Common Stock. At any time, the Company or a Designated Subsidiary may, but will not be obligated to, withhold from the Participant's compensation the amount necessary to meet applicable withholding obligations, including any withholding required to make available to the Company any tax deductions or benefits attributable to the sale or disposition of Common Stock by the Participant earlier than as described in Section 423(a)(1) of the Code.

(c) Each Participant's account shall be credited daily with interest at an annual rate determined by the Administration Committee and such interest shall be compounded daily.

9. Delivery . As promptly as practicable after each Purchase Date, the number of Shares purchased by each Participant upon exercise of his or her option shall be deposited into an account established in the Participant's name with the Designated Broker. The Administration Committee may determine that, for eighteen months following each Purchase Date, no Share purchased on such Purchase Date may be transferred out of such Participant's account with the Designated Broker other than in connection with the "disposition," as such term is used in Section 423(a)(1) of the Code, of such Share.

10. Voluntary Withdrawal; Termination of Employment .

(a) A Participant may withdraw all but not less than all the Contributions credited to his or her account under the Plan at any time prior to each Purchase Date by giving written notice to the Company in the manner directed by the Company. All of the Participant's Contributions, plus any interest, credited to his or her account with respect to an Offering Period will be paid to him or her as soon as administratively practicable after receipt of his or her notice of withdrawal, his or her option for the current Offering Period will be automatically terminated, and no further Contributions for the purchase of Shares may be made by the Participant with respect to such Offering Period. A Participant's withdrawal from the Plan during an Offering Period will not have any effect upon his or her eligibility to participate in a succeeding Offering Period or in any similar plan that may hereafter be adopted by the Company.

(b) Upon termination of the Participant's Continuous Status as an Employee prior to a Purchase Date for any reason, including retirement or death, the Contributions, plus any interest, credited to his or her account will be returned to him or her and his or her option will be automatically terminated; provided , however , that in the event of the death of a Participant, the Company shall deliver the Contributions, plus any interest, to the executor or administrator of the estate of the Participant or, if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such amounts to the spouse or to any one or more dependents or relatives of the Participant.

11. Shares.

(a) Subject to adjustment as provided in Section 16, the maximum number of Shares which shall be made available for sale under the Plan shall be 65,000,000. If the Administration Committee determines at any time that, on a given Purchase Date, the number of Shares with respect to which options are to be exercised may exceed the number of Shares that are available for sale under the Plan on such Purchase Date, the Board or the Administration Committee may in its discretion provide (x) that the Company shall make a pro rata allocation of the Shares available for purchase on such Purchase Date, in as uniform a manner as shall be practicable and as it shall determine to be equitable among all Participants exercising options to purchase Common Stock on such Purchase Date, and continue all Offering Periods then in effect, or (y) that the Company shall make a pro rata allocation of the Shares available for purchase on such Purchase Date, as applicable, in as uniform a manner as shall be practicable and as it shall determine to be equitable among all Participants exercising options to purchase Common Stock on such Purchase Date, and terminate any or all Offering Periods then in effect pursuant to Section 17 below.

(b) The Participant shall have no interest or voting right in Shares covered by his or her option until such option has been exercised.

(c) Shares to be delivered to a Participant under the Plan will be registered in the name of the Participant.

12. Administration.

(a) Subject to the express provisions of the Plan, the Administration Committee shall supervise and administer the Plan and shall have full power to adopt, amend and rescind any rules deemed desirable and appropriate for the administration of the Plan and not inconsistent with the Plan, to construe and interpret the Plan, and to make all other determinations necessary or advisable for the administration of the Plan. The authority of the Administration Committee includes, without limitation, the authority to (i) determine procedures for setting or changing payroll deduction percentages, and obtaining necessary tax withholdings, and (ii) adopt amendments to the Plan in accordance with Section 17. The determinations of the Administration Committee shall be final, binding, and conclusive.

(b) The Board and the Administration Committee may delegate any or all of their authority and obligations under this Plan to such committee or committees (including without limitation, a committee of the Board) or officer(s) of the Company as they may designate. Notwithstanding any such delegation of authority, the Board may itself take any action under the Plan in its discretion at any time, and any reference in this Plan document to the rights and obligations of the Administration Committee shall be construed to apply equally to the Board. Any references to the Board mean only the Board.

13. Transferability. Neither amounts accumulated in a Participant's account nor any rights with regard to the exercise of an option or to receive Shares under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution, or as provided in Section 10) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw funds in accordance with Section 10.

14. Use of Funds. All Contributions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such Contributions.

15. Reports. Statements of account will be made available to Participants by the Company or the Designated Broker in the form and manner designated by the Administration Committee.

16. Adjustments Upon Changes in Capitalization; Corporate Transactions.

(a) Adjustment. Subject to any required action by the stockholders of the Company, (i) the number of Shares covered by each option under the Plan that has not yet been exercised, (ii) the number of Shares that have been authorized for issuance under the Plan but have not yet been placed under option (collectively, the " **Reserves** "), and (iii) the number of Shares set forth in Section 11 above, shall, if applicable, be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, subdivision, combination or reclassification of the Common Stock (including any such change in the number of shares of Common Stock effected in connection with a change in domicile of the Company), or any other increase or decrease in the number of Shares effected without receipt of consideration by the Company, or any increase or decrease in the value of a Share resulting from a spin-off or split-up; provided , however , that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administration Committee, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an option.

(b) Corporate Transactions . In the event of a dissolution or liquidation of the Company, any Offering Period then in progress will terminate immediately prior to the consummation of such action, unless otherwise provided by the Board. In the event of a Corporate Transaction, each option outstanding under the Plan shall be assumed or an equivalent option shall be substituted by the successor corporation or a parent or subsidiary of such successor corporation. In the event that the successor corporation refuses to assume or substitute for outstanding options, each Offering Period then in progress shall be shortened and a new Purchase Date shall be set (the " **New Purchase Date** "), as of which date any Offering Period then in progress will terminate. The New Purchase Date shall be on or before the date of consummation of the Corporate Transaction and the Board shall notify each Participant in writing, at least ten days prior to the New Purchase Date, that the Purchase Date for his or her option has been changed to the New Purchase Date and that his or her option will be exercised automatically on the New Purchase Date, unless prior to such date he or she has withdrawn from the Offering Period as provided in Section 10. For purposes of this Section 16, an option granted under the Plan shall be deemed to be assumed, without limitation, if, at the time of issuance of the stock or other consideration upon a Corporate Transaction, each holder of an option under the Plan would be entitled to receive upon exercise of the option the same number and kind of Shares of stock or the same amount of property, cash or securities as such holder would have been entitled to receive upon the occurrence of the transaction if the holder had been, immediately prior to the transaction, the holder of the number of shares of Common Stock covered by the option at such time (after giving effect to any adjustments in the number of Shares covered by the option as provided for in this Section 16); provided , however , that if the consideration received in the transaction is not solely common stock of the successor corporation or its parent (as defined in Section 424(e) of the Code), the Board may, with the consent of the successor corporation, provide for the consideration to be received upon exercise of the option to be solely common stock of the successor corporation or its parent equal in Fair Market Value to the per Share consideration received by holders of Common Stock in the transaction.

(c) Sales of Designated Subsidiaries and Business Units . In the event the Company consummates the sale or transfer of a Designated Subsidiary, business unit or division to an unaffiliated person or entity, or the spin-off of a Designated Subsidiary, business unit or division to shareholders during an Offering Period, the Contributions, plus any interest thereon (if any), credited to the account of each Participant employed by such Designated Subsidiary, business unit or division, as applicable, as of the time of such sale, transfer or spin-off with respect the offering to which such Offering Period relates, will be returned to the Participant and the Participant's option will be automatically terminated.

(d) Other Adjustments . The Administration Committee may, if it so determines in the exercise of its sole discretion, also make provision for adjusting the Reserves, as well as the price per Share covered by each outstanding option, in the event that the Company effects one or more reorganizations, recapitalizations, rights offerings or other increases or reductions of shares of its outstanding Common Stock, and in the event of the Company's being consolidated with or merged into any other corporation.

17. Amendment or Termination .

(a) The Board may at any time and for any reason terminate the Plan. Except as provided in Section 16, no such termination of the Plan may affect options previously granted, provided that the Plan or an Offering

Period may be terminated by the Board on a Purchase Date or by the Board's setting a new Purchase Date with respect to an Offering Period then in progress if the Board determines that termination of the Plan and/or the Offering Period is in the best interests of the Company and the stockholders or if continuation of the Plan and/or the Offering Period would cause the Company to incur adverse accounting charges as a result of a change after the effective date of the Plan in the generally accepted accounting principles applicable to the Plan. Either the Board or the Administration Committee may amend the Plan, provided , however , that the Administration Committee may amend the Plan only to the extent required to comply with applicable law. Except as provided in Section 16 and in this Section 17, no amendment to the Plan shall make any change in any option previously granted that adversely affects the rights of any Participant. In addition, to the extent necessary to comply with Rule 16b-3 or Section 423 of the Code (or any successor rule or provision or any applicable law or regulation), the Company shall obtain stockholder approval in such a manner and to such a degree as so required.

(b) Without stockholder consent and without regard to whether any Participant rights may be considered to have been adversely affected, the Board or the Administration Committee shall be entitled to change the Offering Periods, limit the frequency and/or number of changes in the amount withheld during an Offering Period, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Board or the Administration Committee determines in its sole discretion advisable that are consistent with the Plan.

18. Notices . All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

19. Conditions Upon Issuance of Shares . Shares shall not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such Shares pursuant thereto shall comply with all applicable provisions of law, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, applicable state securities laws and the requirements of any stock exchange upon which the Shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

20. Term of Plan; Effective Date . The Plan was originally adopted by the Board on May 2, 1968, and approved by the Company's stockholders on October 31, 1968, and has been amended and approved by stockholders from time to time since then. The Plan, as amended and restated herein, is effective as of June 6, 2014 and shall continue in force and effect until terminated under Section 17.

21. Additional Restrictions of Rule 16b-3 . The terms and conditions of options granted hereunder to, and the purchase of Shares by, persons subject to Section 16 of the Exchange Act shall comply with the applicable provisions of Rule 16b−3. This Plan shall be deemed to contain, and such options shall contain, and the Shares issued upon exercise thereof shall be subject to, such additional conditions and restrictions as may be required by Rule 16b−3 to qualify for the maximum exemption from Section 16 of the Exchange Act with respect to Plan transactions.

Non-employee Director Compensation

Annual Retainer:	• $130,000 ($230,000 for the chairman of the board), paid in the form of deferred stock units; and • $90,000 ($155,000 for the chairman of the board), paid in cash, deferred or paid in the form of deferred stock units, at the option of the director
Attendance fees — Board meetings:	$2,000 in cash, per meeting, beginning with the 8th meeting of the fiscal year
Attendance fees — Committee meetings:	$1,500 in cash, per meeting, beginning with the 8th meeting of the fiscal year
Chairperson fees:	• $15,000 in cash, for audit committee • $10,000 in cash, for compensation committee and nominating/corporate governance committee.

Non-Qualified **ID**
XX/XX/20__ **SUBSID**

LOCATION CODE

AUTOMATIC DATA PROCESSING, INC. 2008 OMNIBUS AWARD PLAN
STOCK OPTION GRANT AGREEMENT
(Non-Employee Director)

AUTOMATIC DATA PROCESSING, INC. (the “Company”), pursuant to the 2008 Omnibus Award Plan (the “Plan”), hereby irrevocably grants to **FirstName LastName** (the “Participant”), on XXXX XX, 20__ the right and option to purchase **XXXX** shares of the Common Stock, par value $0.10 per share, of the Company subject to the restrictions, terms and conditions herein.

WHEREAS, the Compensation Committee (the “Committee”) of the Board of Directors of the Company has determined that it would be in the best interests of the Company and its stockholders to grant the award of options provided for herein to the Participant, on the terms and conditions described in this Stock Option Grant Agreement (this “Agreement”).

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. The option herein granted shall become exercisable in whole or in part as follows:

   (a) Exercisable as to **Vesting1** shares (rounded down to the nearest whole share) on and after **Date1** ;

   (b) Exercisable as to an additional **Vesting2** shares (rounded down to the nearest whole share) on and after **Date2** ;

   (c) Exercisable as to an additional **Vesting3** shares (rounded down to the nearest whole share) on and after **Date3** ;

   (d) Exercisable in its entirety on the earlier of (*i*) on and after **Date4** and (*ii*) the date such Participant retires from the Company’s Board of Directors, but only if the Accelerated Vesting Criteria (as defined in Section 8 hereof) is satisfied at the time of such retirement; and

   (e) Exercisable in its entirety (*i*) upon the death of the Participant, or (*ii*) in the event of total and permanent disability of the Participant.

   (f) Except as specifically set forth in Section 1(d)(ii) above, no shares shall become exercisable following the cessation of the Participant’s membership on the Company’s Board of Directors.

2. The unexercised portion of the option herein granted shall automatically and without notice terminate and become null and void at the time of the earliest of the following to occur:

   (a) the expiration of ten years from the date on which the option was granted;

   (b) the expiration of 60 days from the date the Participant ceases to be a member of the Company’s Board of Directors; *provided, however* , that

      (i) if the Participant ceases to be a member of the Company’s Board of Directors because of total and permanent disability, the provisions of sub-paragraph (c) shall apply,

      (ii) if the Participant shall die while a member of the Company’s Board of Directors or during the 60-day period following the date the Participant ceases to be a member of the Company’s Board of Directors, the provisions of sub-paragraph (d) below shall apply, and

(iii) if the Participant shall retire from the Company's Board of Directors, and satisfy the Accelerated Vesting Criteria at the time of such retirement, the provisions of sub-paragraph (e) below shall apply;

(c) if Section 2(b)(i) applies, (i) if the Participant satisfied the Accelerated Vesting Criteria at the time of Participant's total and permanent disability, the expiration of 36 months after the date the Participant ceases to be a member of the Company's Board of Directors because of total and permanent disability, or (*ii*) if the Participant did not satisfy the Accelerated Vesting Criteria at the time of Participant's total and permanent disability, the expiration of 12 months after the date the Participant ceases to be a member of the Company's Board of Directors because of total and permanent disability; *provided* , *however* , that if the Participant shall die during the 36-month period specified in clause (i) of this Section 2(c) or the 12-month period specified in clause (ii) of this Section 2(c), as applicable, then the unexercised portion shall become null and void upon the expiration of 12 months after death of the Participant;

(d) if Section 2(b)(ii) applies, (*i*) if the Participant satisfied the Accelerated Vesting Criteria at the time of death, the expiration of 36 months after death of the Participant, or (*ii*) if the Participant did not satisfy the Accelerated Vesting Criteria at the time of death, the expiration of 12 months after death of the Participant; and

(e) if Section 2(b)(iii) applies, the expiration of 36 months after the retirement of the Participant from the Company's Board of Directors; *provided* , *however* , that if such Participant shall die during the 36 month period following the date of such Participant's retirement, then the unexercised portion shall become null and void on the later of (*i*) the expiration of 36 months after the retirement of the Participant, or (*ii*) 12 months after death of the Participant.

3. Notwithstanding the foregoing, in the event that any unexercised portion of the option herein granted would terminate and become null and void in accordance with Section 2 and the Fair Market Value of the unexercised portion of the option herein granted exceeds the full price for each of the shares purchased pursuant to such option, the then vested portion of the option herein granted shall be deemed to be automatically exercised by the Participant on such last trading day by means of a net exercise without any action by the Participant. Upon such automatic exercise, the Company shall deliver to the Participant the number of shares of Common Stock for which the option was deemed exercised less the number of shares of Common Stock having a Fair Market Value, as of such date, sufficient to (1) pay the full price for each of the shares of Common Stock purchased pursuant to the option herein granted and (2) satisfy all applicable required tax withholding obligations. Any fractional share shall be settled in cash. For the avoidance of doubt, and notwithstanding any provision (or interpretation) of Section 2 to the contrary, the unexercised portion of the option herein granted shall automatically and without notice terminate and become null and void upon the expiration of ten years from the date of this Agreement.

4. The full price for each of the shares purchased pursuant to the option herein granted shall be $ **XX.XX** .

5. Full payment for shares purchased by the Participant shall be made at the time of the exercise of the option in whole or in part. No shares shall be issued until full payment therefore has been made and the Participant shall have none of the rights of a shareholder with respect to any shares subject to this option until such shares shall have been issued.

6. No option granted hereunder may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or an Affiliate.

7. In the event of one or more stock splits, stock dividends, stock changes, reclassifications, recapitalizations or combinations of shares prior to complete exercise of the option herein granted which change the character or amount of the shares subject to the option, this option to the extent that it shall not have been exercised, shall entitle the Participant or the Participant's executors or administrators to receive in substitution such number and

kind of shares as he, she or they would have been entitled to receive if the Participant or the Participant's executors or administrators had actually owned the shares subject to this option at the time of the occurrence of such change; *provided, however* that if the change is of such nature that the Participant or the Participant's executors or administrators, upon exercise of the option, would receive property other than shares of stock, then the Board of Directors shall adjust the option so that he, she or they shall acquire only shares of stock upon exercise, making such adjustment in the number and kind of shares to be received as the Board of Directors shall, in its sole judgment, deem equitable; *provided* , *further* , that the foregoing shall not limit the Company's ability to otherwise adjust the option in a manner consistent with Section 12 of the Plan.

8. As used herein, the term "Accelerated Vesting Criteria" means being a member of the Company's Board of Directors for at least ten years.

9. Notwithstanding anything to the contrary contained herein, the option granted hereunder may be terminated and become null and void without consideration if the Participant, as determined by the Committee in its sole discretion (i) engages in an activity that is in conflict with or adverse to the interests of the Company or any Affiliate, including but not limited to fraud or conduct contributing to any financial restatements or irregularities, or (ii) without the consent of the Company, while providing services to the Company or any Affiliate or after termination of such service, violates a non-competition, non-solicitation or non-disclosure covenant or agreement between the Participant and the Company or any Affiliate. If the Participant engages in any activity referred to in the preceding sentence, the Participant shall, at the sole discretion of the Committee, forfeit any gain realized in respect of the option granted hereunder (which gain shall be deemed to be an amount equal to the difference between the price for shares set forth in Section 4 above and the Fair Market Value (as defined in the Plan), on the applicable exercise date, of the shares of Common Stock of the Company delivered to the Participant), and repay such gain to the Company.

10. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan.

11. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

12. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

13. The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

14. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent of the Participant under the Plan.

15. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

By: ______________________________________
[Name]
[Title]

Non-Qualified **ID**
XX/XX/20__ **SUBSID**

LOCATION CODE

AUTOMATIC DATA PROCESSING, INC. 2008 OMNIBUS AWARD PLAN
STOCK OPTION GRANT AGREEMENT

AUTOMATIC DATA PROCESSING, INC. (the "Company"), pursuant to the 2008 Omnibus Award Plan (the "Plan"), hereby irrevocably grants to **FirstName LastName** (the "Participant"), on XXXX XX, 20__ the right and option to purchase **XXXX** shares of the Common Stock, par value $0.10 per share, of the Company subject to the restrictions, terms and conditions herein.

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") has determined that it would be in the best interests of the Company and its stockholders to grant the award of options provided for herein to the Participant, on the terms and conditions described in this Stock Option Grant Agreement (this "Agreement").

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. The option herein granted shall become exercisable in whole or in part as follows:

(a) Exercisable as to **Vesting1** shares (rounded down to the nearest whole share) on and after **Date1** ;

(b) Exercisable as to an additional **Vesting2** shares (rounded down to the nearest whole share) on and after **Date2** ;

(c) Exercisable as to an additional **Vesting3** shares (rounded down to the nearest whole share) on and after **Date3** ;

(d) Exercisable in its entirety on and after **Date4** ; and

(e) Exercisable in its entirety (*i*) upon the death of the Participant, or (*ii*) in the event of total and permanent disability of the Participant.

(f) If the Participant retires from the Company at any time following the first anniversary of this Agreement and at such time satisfies the Normal Retirement Criteria, the option herein granted shall continue to become exercisable as set forth in clauses (b) through (d) of this Section 1. The Normal Retirement Criteria will be satisfied if the Participant shall (*i*) retire (*and satisfy the Company's criteria for retirement at such time*) from the Company or any of its subsidiaries, divisions or business units, as the case may be, (*ii*) be at least 55 years of age at the time of such retirement, and (*iii*) have at least ten credited years of service with the Company or its subsidiaries at the time of such retirement.

(g) If a Participant who at the time of retirement satisfies the Normal Retirement Criteria subsequently dies or becomes totally and permanently disabled before such Participant's option herein granted becomes exercisable in its entirety as set forth in clause (d) of this Section 1, the option herein granted shall become exercisable as set forth in clause (e) of this Section 1.

(h) If a Participant who at the time of retirement satisfies the criteria set forth in Section 2(b)(iv) subsequently dies or becomes totally and permanently disabled before the expiration of 12 months after the retirement of the Participant, such Participant's option herein granted shall become exercisable as set forth in clause (e) of this Section 1.

(i) Except as provided in clauses (f) through (h) of this Section 1 or as the Committee may otherwise determine in its sole discretion, no option herein granted shall become exercisable following termination of the Participant's employment from the Company or any of its subsidiaries (and no option herein granted shall become exercisable following the Company's sale of the subsidiary, or the Company's or a subsidiary's sale of the division or business unit, that employs such Participant).

2. The unexercised portion of the option herein granted shall automatically and without notice terminate and become null and void at the time of the earliest of the following to occur:

(a) the expiration of ten years from the date on which the option was granted;

(b) the expiration of 60 days from the date of termination of the Participant's employment from the Company (including in connection with the sale of the subsidiary, division or business unit that employs such Participant) or any of its subsidiaries; *provided*, *however* , that

(*i*) if the Participant's employment from the Company or any of its subsidiaries terminates because of total and permanent disability, the provisions of sub-paragraph (c) shall apply,

(*ii*) if the Participant shall die during employment by the Company or any of its subsidiaries or during the 60-day period following the date of termination of such employment, the provisions of sub-paragraph (d) below shall apply,

(*iii*) if the Participant shall retire and satisfy the Normal Retirement Criteria, the provisions of sub-paragraph (e) below shall apply, and

(iv) if the Participant shall (*I*) retire (*and satisfy the Company's criteria for retirement at such time*) from the Company or any of its subsidiaries, divisions or business units, as the case may be, (*II*) be at least 55 years of age at the time of such retirement, and (III) have at least five (but less than ten) credited years of service with the Company and its subsidiaries at the time of such retirement, the provisions of sub-paragraph (f) below shall apply;

(c) if Section 2(b)(i) applies, (i) if the Participant satisfied the Normal Retirement Criteria at the time of Participant's total and permanent disability, the expiration of 36 months after termination of Participant's employment from the Company or any of its subsidiaries because of total and permanent disability, or (ii) if the Participant did not satisfy the Normal Retirement Criteria at the time of Participant's total and permanent disability, the expiration of 12 months after termination of Participant's employment from the Company or any of its subsidiaries because of total and permanent disability; *provided* , *however* , that if the Participant shall die during the 36-month period specified in clause (i) of this Section 2(c) or the 12-month period specified in clause (ii) of this Section 2(c), as applicable, then the unexercised portion shall become null and void upon the expiration of 12 months after death of the Participant;

(d) if Section 2(b)(ii) applies, (*i*) if the Participant satisfied the Normal Retirement Criteria at the time of death, the expiration of 36 months after death of the Participant, or (*ii*) if the Participant did not satisfy the Normal Retirement Criteria at the time of death, 12 months after death of the Participant;

(e) if Section 2(b)(iii) applies, the expiration of 37 months after the retirement of the Participant; *provided* , *however* , that if such Participant shall die during the 37 month period following the date of such Participant's retirement, then the unexercised portion shall become null and void on the later of (*i*) the expiration of 37 months after the retirement of the Participant and (*ii*) 12 months after death of the Participant; and

(f) if Section 2(b)(iv) applies, the expiration of 12 months after the retirement of the Participant; *provided* , *however* , that if such Participant shall die during the 12 month period following the date of such Participant's retirement, then the unexercised portion shall become null and void on the expiration of 12 months after death of the Participant.

3. Notwithstanding the foregoing, in the event that any unexercised portion of the option herein granted would terminate and become null and void in accordance with Section 2 and the Fair Market Value of the unexercised portion of the option herein granted exceeds the full price for each of the shares purchased pursuant to such option, the then vested portion of the option herein granted shall be deemed to be automatically exercised by the Participant on such last trading day by means of a net exercise without any action by the Participant. Upon such automatic exercise, the Company shall deliver to the Participant the number of shares of Common Stock for which the option was deemed exercised less the number of shares of Common Stock having a Fair Market Value, as of such date, sufficient to (1) pay the full price for each of the shares of Common Stock purchased pursuant to the option herein granted and (2) satisfy all applicable required tax withholding obligations. Any fractional share shall be settled in cash. For the avoidance of doubt, and notwithstanding any provision (or interpretation) of Section 2 to the contrary, the unexercised portion of the option herein granted shall automatically and without notice terminate and become null and void upon the expiration of ten years from the date of this Agreement.

4. The full price for each of the shares purchased pursuant to the option herein granted shall be $ **XX.XX** .

5. Full payment for shares purchased by the Participant shall be made at the time of the exercise of the option in whole or in part. No shares shall be issued until full payment therefore has been made, and the Participant shall have none of the rights of a shareholder with respect to any shares subject to this option until such shares shall have been issued.

6. No option granted hereunder may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or an Affiliate.

7. In the event of one or more stock splits, stock dividends, stock changes, reclassifications, recapitalizations or combinations of shares prior to complete exercise of the option herein granted which change the character or amount of the shares subject to the option, this option to the extent that it shall not have been exercised, shall entitle the Participant or the Participant's executors or administrators to receive in substitution such number and kind of shares as he, she or they would have been entitled to receive if the Participant or the Participant's executors or administrators had actually owned the shares subject to this option at the time of the occurrence of such change; *provided*

however that if the change is of such nature that the Participant or the Participant's executors or administrators, upon exercise of the option, would receive property other than shares of stock, then the Board shall adjust the option so that he, she or they shall acquire only shares of stock upon exercise, making such adjustment in the number and kind of shares to be received as the Board shall, in its sole judgment, deem equitable; *provided* , *further* , that the foregoing shall not limit the Company's ability to otherwise adjust the option in a manner consistent with Section 12 of the Plan.

8. The effectiveness of the option granted hereunder is conditioned upon (*i*) the Participant having executed and delivered to the Company in connection with previous stock option grants a restrictive covenant, or (*ii*) the execution and delivery by the Participant within six months from the date of this Agreement of the restrictive covenant furnished herewith. If the Company does not receive the signed (whether electronically or otherwise) restrictive covenant within such six-month period, this Agreement shall be terminable by the Company.

9. Notwithstanding anything to the contrary contained herein, the option granted hereunder may be terminated and become null and void without consideration if the Participant, as determined by the Committee in its sole discretion (i) engages in an activity that is in conflict with or adverse to the interests of the Company or any Affiliate, including but not limited to fraud or conduct contributing to any financial restatements or irregularities, or (ii) without the consent of the Company, while employed by or providing services to the Company or any Affiliate or after termination of such employment or service, violates a non-competition, non-solicitation or non-disclosure covenant or agreement between the Participant and the Company or any Affiliate. If the Participant engages in any activity referred to in the preceding sentence, the Participant shall, at the sole discretion of the Committee, forfeit any gain realized in respect of the option granted hereunder (which gain shall be deemed to be an amount equal to the difference between the price for shares set forth in Section 4 above and the Fair Market Value (as defined in the Plan), on the applicable exercise date, of the shares of Common Stock of the Company delivered to the Participant), and repay such gain to the Company.

10. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan.

11. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

12. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

13. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant with or without cause at any time for any reason whatsoever. Although over the course of employment terms and conditions of employment may change, the at-will term of employment will not change.

14. The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

15. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent of the Participant under the Plan.

16. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

By: ____

[Name]
[Title]

EXHIBIT 21

Name of Subsidiary	Jurisdiction of Incorporation
ADP AdvancedMD, Inc.	Delaware
ADP Atlantic, Inc.	Delaware
ADP Belgium CVA	Belgium
ADP Benefits Services KY, Inc.	Kentucky
ADP Brasil Ltda	Brazil
ADP Broker-Dealer, Inc.	New Jersey
ADP Business Services (Shanghai) Co., Ltd.	China
ADP Canada Co.	Canada
ADP Dealer Services Deutschland GmbH	Germany
ADP Dealer Services Espana SL	Spain
ADP Dealer Services, Inc.	Delaware
ADP Dealer Services Italia SRL	Italy
ADP Dealer Services UK Limited	United Kingdom
ADP Employer Services GmbH	Germany
ADP Europe S.A.	France
ADP France SAS	France
ADP GlobalView B.V.	Netherlands
ADP GSI France SAS	France
ADP GSI Italia SpA	Italy
ADP Holding B.V.	Netherlands
ADP Indemnity, Inc.	Vermont
ADP, LLC	Delaware
ADP Nederland B.V.	Netherlands
ADP Network Services Limited	United Kingdom
ADP Private Limited	India
ADP of Roseland, Inc.	Delaware
ADP Outsourcing Italia SRL	Italy
ADP Pacific, Inc.	Delaware
ADP Payroll Services, Inc.	Delaware
ADP Screening and Selection Services, Inc.	Colorado
ADP Tax Services, Inc.	Delaware
ADP Technology Services, Inc.	Delaware
ADP TotalSource Group, Inc.	Florida
ADP TotalSource, Inc.	Florida
ADP Vehicle Information Technology (Shanghai) Co., Ltd	China
Automatic Data Processing Insurance Agency, Inc.	New Jersey
Automatic Data Processing Limited	Australia
Automatic Data Processing Limited (UK)	United Kingdom
Business Management Software Limited	United Kingdom
Digital Motorworks, Inc.	Texas
Employease, Inc.	Delaware
VirtualEdge, Inc.	Delaware

In accordance with Item 601(b)(21) of Regulation S-K, the Company has omitted the names of particular subsidiaries because the unnamed subsidiaries, considered in the aggregate as a single subsidiary, would not have constituted a significant subsidiary as of June 30, 2014.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 33-46168, 333-10281, 333-10277, 333-110393, 333-146565, 333-147377, 333-155382, 333-169110, and 333-170506 on Form S-8 of our reports dated August 8, 2014, relating to the consolidated financial statements and consolidated financial statement schedule of Automatic Data Processing, Inc. and subsidiaries (the “Company”), and the effectiveness of the Company’s internal control over financial reporting appearing in the Annual Report on Form 10-K of Automatic Data Processing, Inc. for the year ended June 30, 2014.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey
August 8, 2014

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13A-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Carlos A. Rodriguez, certify that:

1. I have reviewed this Annual Report on Form 10-K of Automatic Data Processing, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

EXHIBIT 31.1

Date:	August 8, 2014	/s/ Carlos A. Rodrigeuz Carlos A. Rodriguez President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13A-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Jan Siegmund, certify that:

1. I have reviewed this Annual Report on Form 10-K of Automatic Data Processing, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

EXHIBIT 31.2

Date:	August 8, 2014	/s/ Jan Siegmund Jan Siegmund Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Automatic Data Processing, Inc. (the “Company”) on Form 10-K for the fiscal year ending June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Carlos A. Rodriguez, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Carlos A. Rodriguez

Carlos A. Rodriguez
President and Chief Executive Officer
Date: August 8, 2014

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Automatic Data Processing, Inc. (the “Company”) on Form 10-K for the fiscal year ending June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jan Siegmund, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jan Siegmund

Jan Siegmund
Chief Financial Officer
Date: August 8, 2014