

# PAYROLL MANAGEMENT SERVICES AGREEMENT

This Payroll Management Services Agreement (the "Agreement") is entered into and made effective as of \_\_\_\_\_, by and between:

**Provider:** \_\_\_\_\_, with a principal place of business at \_\_\_\_\_ (hereinafter referred to as the "Service Provider"),

and

**Client:** \_\_\_\_\_, with a principal place of business at \_\_\_\_\_ (hereinafter referred to as the "Client").

## RECITALS

WHEREAS, Client desires to retain Service Provider to perform professional payroll management and processing services for Client's organization; and

WHEREAS, Service Provider represents that it possesses the necessary expertise, infrastructure, and licenses to perform such payroll services; and

WHEREAS, both Parties agree to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties agree as follows:

## 1. SCOPE OF SERVICES

Service Provider shall perform the following payroll management services (the "Services") in a timely and professional manner:

- A. Calculation of gross wages, tax withholdings, deductions, and net pay for all Client employees and independent contractors.
- B. Processing of direct deposits and generation of paper checks as authorized by the Client.
- C. Filing of federal, state, and local payroll tax returns, including forms \_\_\_\_\_, \_\_\_\_\_, and yearly W-2/1099 processing.
- D. Generation of standard payroll reports and providing Client secure access to payroll records.
- E. Other services as mutually agreed upon in writing:

## 2. CLIENT OBLIGATIONS

- A. **Information Provision:** Client shall provide all necessary, accurate, and complete payroll data (including hours worked, rate changes, new hires, terminations, and deduction changes) no later than \_\_\_\_\_ days prior to each scheduled pay date.
- B. **Funding:** Client shall ensure that sufficient cleared funds are available in the designated bank account at least \_\_\_\_\_ business days prior to the payroll distribution date to cover net payroll, taxes, and service fees.
- C. **Accuracy of Data:** Service Provider shall not be responsible for penalties, interest, or liabilities resulting from inaccurate or untimely data provided by the Client.

### 3. FEES AND PAYMENT TERMS

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A. Client agrees to pay Service Provider in accordance with the fee schedule outlined below or in an attached Exhibit:

\_\_\_\_\_

\_\_\_\_\_

B. Fees will be invoiced \_\_\_\_\_ and will be paid via \_\_\_\_\_.

C. Late payments shall be subject to a late charge of \_\_\_\_\_ % per month on outstanding balances.

### 4. TERM AND TERMINATION

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A. **Term:** This Agreement shall commence on \_\_\_\_\_ and shall continue on a \_\_\_\_\_ basis unless terminated.

B. **Termination for Convenience:** Either party may terminate this Agreement by giving \_\_\_\_\_ days written notice to the other party.

C. **Termination for Cause:** Either party may terminate this Agreement immediately if the other party breaches a material term and fails to cure such breach within \_\_\_\_\_ days of receipt of written notice.

### 5. CONFIDENTIALITY AND DATA SECURITY

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Service Provider shall maintain strict confidentiality regarding all Client employee records, compensation details, proprietary financial information, and personal data. Service Provider shall implement industry-standard administrative, physical, and technical safeguards to protect such data from unauthorized access or disclosure.

### 6. LIMITATION OF LIABILITY

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Service Provider's aggregate liability under this Agreement for any cause of action, whether in contract or in tort, shall be limited to the total fees paid by Client to Service Provider during the \_\_\_\_\_ months immediately preceding the event giving rise to liability.

### 7. GOVERNING LAW

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This Agreement shall be construed and enforced in accordance with the laws of the State of \_\_\_\_\_, without regard to its conflict of law principles.

### 8. ENTIRE AGREEMENT

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This Agreement constitutes the entire understanding between the Parties and supersedes all prior discussions, agreements, or representations. Any amendments must be made in writing and signed by both Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Payroll Management Agreement as of the date first written above.

**CLIENT:**

Company: \_\_\_\_\_

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Authorized Signature

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SERVICE PROVIDER:**

Company: \_\_\_\_\_

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Authorized Signature

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_