

PAYROLL PROCESSING SERVICES AGREEMENT

This Payroll Processing 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").

1. SCOPE OF SERVICES

The Service Provider agrees to perform the following payroll processing services for the Client:

- a. Calculation of gross wages, tax withholdings, and net pay for Client's employees.
- b. Preparation and distribution of direct deposits and/or physical checks.
- c. Filing of local, state, and federal payroll tax returns.
- d. Issuance of annual tax statements, including but not limited to W-2 and 1099 forms.
- e. Maintenance of standard payroll records and generation of routine payroll reports.

2. CLIENT OBLIGATIONS

To enable the Service Provider to perform the services, the Client agrees to:

- a. Provide timely, accurate, and complete employee data, hours worked, rate changes, and other payroll-related information.
- b. Ensure sufficient funds are available in the designated bank account at least _____ business days prior to the payroll distribution date.
- c. Notify the Service Provider immediately of any changes in its legal structure, tax identification numbers, or bank accounts.

3. FEES AND PAYMENT TERMS

The Client shall pay the Service Provider for services rendered in accordance with the fee schedule detailed below:

- a. Base Payroll Processing Fee: _____ per payroll cycle.
- b. Per Employee/Contractor Fee: _____ per active payee per cycle.
- c. Annual Year-End Tax Reporting Fee: _____.
- d. Payment is due within _____ days of receipt of the invoice. Late payments shall accrue interest at a rate of _____% per month.

4. TERM AND TERMINATION

- a. This Agreement shall commence on _____ and shall continue on a _____ basis until terminated by either party.
- b. Either party may terminate this Agreement by providing _____ days written notice to the other party.
- c. Either party may terminate this Agreement immediately upon written notice if the other party breaches any material term of this Agreement and fails to cure such breach within _____ days of receiving written notice thereof.

5. CONFIDENTIALITY AND DATA SECURITY

Both parties agree to hold all confidential information, including employee personal and financial data, in strict confidence. The Service Provider shall implement and maintain commercially reasonable administrative, physical, and technical safeguards designed to protect the security and confidentiality of the Client's payroll data.

6. LIMITATION OF LIABILITY

The Service Provider shall not be held liable for any penalties, interest, or damages resulting from inaccurate or untimely information provided by the Client. In no event shall either party's liability under this Agreement exceed the total fees paid by the Client to the Service Provider during the _____ months preceding the event giving rise to the liability.

7. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without regard to its conflict of laws principles. Any legal action arising under this Agreement shall be brought exclusively in the courts of _____.

8. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written. No amendment or modification to this Agreement shall be effective unless made in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Payroll Processing Services Agreement as of the date first written above.

CLIENT:

SERVICE PROVIDER:

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Date

Date