

AUTOMATIC DATA PROCESSING INC
Form 8-K
June 25, 2009

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

FORM 8-K
CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **June 24, 2009**

AUTOMATIC DATA PROCESSING, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of
incorporation)

1-5397
(Commission File Number)

22-1467904
(IRS Employer
Identification No.)

One ADP Boulevard, Roseland, New Jersey
(Address of principal executive offices)

07068
(Zip Code)

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

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

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

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

Item 1.01. Entry into a Material Definitive Agreement.

On June 24, 2009, Automatic Data Processing, Inc., a Delaware corporation (the "Company"), entered into a \$2.25 billion 364-Day Credit Agreement (the "Facility") with a group of lenders. The Facility replaced the Company's \$2.25 billion 364-day facility, which terminated on June 24, 2009. JPMorgan Chase Bank, N.A. acts as Administrative Agent and Bank of America, N.A. as Syndication Agent for the Facility. The existing \$1.5 billion five-year facility entered into on June 29, 2005 and \$2.25 billion five-year facility entered into on June 28, 2006 will continue in full force and effect.

Two borrowing options will be available under the Facility: (i) a competitive advance option and (ii) a revolving credit option. The competitive advance option will be provided on an uncommitted competitive advance basis through an auction mechanism. The revolving credit will be provided on a committed basis. Under each option amounts borrowed and repaid may be reborrowed subject to availability under the Facility.

The Lenders' commitments under the Facility will expire on June 23, 2010 and any borrowings outstanding will mature and be payable on such date (or, at the option of the Company, subject to the accuracy of all representations and warranties and the absence of any default, on June 23, 2011).

Interest under a competitive advance option will be payable at the rates obtained from bids selected by the Company in accordance with standard competitive auction procedures of JPMorgan Chase Bank, N.A.. At the Company's option, revolving loans will bear interest at a rate per annum equal to (i) an Applicable Rate plus a LIBOR-based rate for a one, two, three or six month interest period as selected by the Company, or (ii) an Applicable Rate plus a base rate determined by reference to the highest of (a) JPMorgan Chase Bank, N.A.'s prime rate, (b) the federal funds effective rate plus .50% and (c) a LIBOR-based rate for a one month interest period plus 1%.

Applicable Rate means a rate per annum equal to 50% of the Markit CDX North American Investment Grade Index, but not less than (i) prior to June 23, 2010, .35% per annum and (ii) on and after June 23, 2010, .50% per annum; provided that for any loans using a base rate referred to in clause (ii) of the immediately preceding paragraph, the Applicable Rate will be 1% per annum lower (but in no event less than 0.00%) than the Applicable Rate referred to in clause (i) of the immediately preceding paragraph.

The Company will pay a commitment fee on the aggregate unused commitments at a rate of .075% per annum and a term-out fee of 1.0% of the amount of any loans outstanding after June 23, 2010.

The Facility has terms that are substantially similar to the terms of the facility it replaced, including customary covenants that restrict the Company's and its borrowing subsidiaries' ability to create liens or other encumbrances, enter into sale and leaseback transactions and enter into consolidations, mergers and transfers of all or substantially all of their respective assets. The Facility contains customary events of default which would permit the lenders to accelerate the loans, including the failure to make timely payments on other material indebtedness, the failure to satisfy covenants and specified events of bankruptcy and insolvency.

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The Company has agreed to guarantee any obligations of any of its subsidiaries that are entitled to borrow the funds under the Facility. Borrowings under the Facility may be used for general corporate purposes.

The Facility is led by JPMorgan Securities Inc. and Banc of America Securities LLC, as Co-Lead Arrangers and Joint Bookrunners. Wells Fargo Bank, N.A. acts as Senior Documentation Agent. Barclays Bank PLC, BNP Paribas, Citicorp USA, Inc., Deutsche Bank AG New York Branch and Intesa SanPaolo S.p.A are Documentation Agents.

Certain of the lenders under the Facility, and their respective affiliates, have performed, and may in the future perform for the Company and its subsidiaries, various commercial banking, investment banking, underwriting and other financial advisory services, for which they have received, and will receive, customary fees and expenses.

The foregoing description is qualified in its entirety by reference to the Facility, which is filed as Exhibit 10.14 hereto and incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off- Balance Sheet Arrangement of a Registrant.

The information set forth above under Item 1.01 is hereby incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit 10.14 364-Day Credit Agreement, dated as of June 24, 2009, among Automatic Data Processing, Inc., the Lenders Party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, Wells Fargo Bank, N.A. as Senior Documentation Agent, and Barclays Bank PLC, BNP Paribas, Citicorp USA, Inc., Deutsche Bank AG New York Branch and Intesa SanPaolo S.p.A, as Documentation Agents.

SIGNATURE

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

Date: June 25, 2009

AUTOMATIC DATA PROCESSING, INC.

By: /s/ James B. Benson
Name: James B. Benson

Title: Vice President

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
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