

AUTOMATIC DATA PROCESSING INC

Form 11-K

June 29, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549-1004

FORM 11-K

X ANNUAL REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

OR

___ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number(s): 333-110395, 333-75468, 333-90540 and 333-146565

AUTOMATIC DATA PROCESSING, INC.
RETIREMENT AND SAVINGS PLAN
(Full title of the plan)

Automatic Data Processing, Inc.
One ADP Boulevard, Roseland, New Jersey 07068
(Name of issuer of the securities held pursuant to
the plan and the address of its principal
executive office)

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

Notices and communications from the Securities and Exchange Commission
Relative to this report should be forwarded to:

Michael A. Bonarti
Corporate Vice President, General Counsel and Secretary
Automatic Data Processing, Inc.
One ADP Boulevard

AUTOMATIC DATA PROCESSING, INC.
RETIREMENT AND SAVINGS PLAN

TABLE OF CONTENTS

	Page
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
FINANCIAL STATEMENTS	
Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009	2
Statement of Changes in Net Assets Available for Benefits For the Year Ended December 31, 2010	3
Notes to Financial Statements as of December 31, 2010 and 2009 and for the Year Ended December 31, 2010	4-7
SUPPLEMENTAL SCHEDULE:	
Form 5500, Schedule H, Part IV, Line 4i—Schedule of Assets (Held at End of Year) As of December 31, 2010	8-26
SIGNATURE	27
Exhibit 23-1 Consent of J.H. Cohn LLP	

All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of
Automatic Data Processing, Inc.
Retirement and Savings Plan

We have audited the accompanying statements of net assets available for benefits of Automatic Data Processing, Inc. Retirement and Savings Plan (the "Plan") as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements 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, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Automatic Data Processing, Inc. Retirement and Savings Plan as of December 31, 2010 and 2009, and the changes in its net assets available for benefits for the year ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the 2010 basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the 2010 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2010 basic financial statements taken as a whole.

/s/ J.H. Cohn LLP

Roseland, New Jersey
June 29, 2011

AUTOMATIC DATA PROCESSING, INC.
RETIREMENT AND SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS		
CASH	\$6,637	\$13,576
INVESTMENTS (Notes 3 and 4):		
Participant directed investments, at fair value	2,221,927,563	1,865,648,079
RECEIVABLES:		
Notes receivable from participants	66,837,683	58,555,434
Interest and dividends receivable	4,221,269	4,144,065
Broker receivable for securities sold	326,903	6,330,188
Participant contribution receivable	11,347	72,001
Employer contribution receivable	5,713	4,711
TOTAL RECEIVABLES	71,402,915	69,106,399
TOTAL ASSETS	2,293,337,115	1,934,768,054
LIABILITIES		
Broker payable for securities purchased	2,150,921	14,465,565
Accrued expenses	957,108	1,432,481
TOTAL LIABILITIES	3,108,029	15,898,046
NET ASSETS AVAILABLE FOR BENEFITS	\$2,290,229,086	\$1,918,870,008

See notes to financial statements.

AUTOMATIC DATA PROCESSING, INC.
RETIREMENT AND SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2010

ADDITIONS:

Contributions:

Participant	\$153,243,364
Employer	57,518,614
Total contributions	210,761,978
Investment income:	
Net appreciation in fair value of investments (Note 3)	206,827,776
Dividend income	24,967,940
Interest income	3,267,194
Total investment income	235,062,910
Interest income on notes receivable from participants	3,267,858
TOTAL ADDITIONS	449,092,746

DEDUCTIONS:

Benefits paid to participants	(119,102,122)
Administrative and general expenses	(5,324,678)
TOTAL DEDUCTIONS	(124,426,800)

NET INCREASE IN NET ASSETS BEFORE TRANSFERS 324,665,946

TRUST TO TRUST TRANSFERS IN 46,693,132

NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS 371,359,078

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	1,918,870,008
End of year	\$2,290,229,086

See notes to financial statements.

AUTOMATIC DATA PROCESSING, INC.
RETIREMENT AND SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2010 AND 2009
AND FOR THE YEAR ENDED DECEMBER 31, 2010

1. DESCRIPTION OF PLAN

The following description of the Automatic Data Processing, Inc. Retirement and Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan is administered by a three-member committee (the "Plan Administrator") appointed by the Board of Directors of Automatic Data Processing, Inc. ("ADP", the "Company" or the "Plan Sponsor"). JPMorgan Chase Bank, N.A. ("JPMorgan") serves as custodian of the Plan.

General—The Plan is a defined contribution plan established January 1, 1984 available to all eligible employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions—

Participant Contributions—As defined in the Plan document, participating employees who are deemed non-highly compensated (employees earning less than \$110,000 in 2009), can contribute up to 35% of their compensation, subject to the maximum deferral limits under the Internal Revenue Code ("IRC") (and certain special limits for Puerto Rico residents participating in the Plan). Participating employees earning more than these amounts ("Highly Compensated Employees") can only contribute up to the amount determined by the Plan Administrator annually (currently 10% of their compensation). Participants who have attained age 50 before the close of the Plan year are eligible to make additional contributions ("Catch-Up Contributions") up to the amount of \$5,500 for 2010. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans ("rollover contributions"). Unless the employee elects otherwise, any employee hired on or after January 8, 2007 shall be automatically enrolled as a participant in the Plan after sixty days of employment at a deferral rate of 3% of compensation. These contributions will be invested in the JPMorgan SmartRetirement Fund that corresponds to their estimated retirement date. Participant contributions during the year ended December 31, 2010 include \$7,420,916 of rollover contributions.

Matching Employer Contributions—Effective January 1, 2009, the Company contributes an amount equal to 50% of the first 6% of each participant's salary deferral election to the Plan. Once a participant has contributed to the Plan for 60 months, the Company's matching contribution increases to an amount equal to 70% of the first 6% of a participant's salary deferral election. Participants must be actively employed on December 31 of a given year to receive the matching contribution for that year. Matching contributions are not made on the employee catch-up contributions.

Limitations—In addition, there are contribution limitations set forth in the IRC, which the Plan must satisfy.

Participant Accounts—Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, an allocation of the Company's contribution, and an allocation of Plan gains or losses. Account balances are valued at fair market value, and are adjusted daily to reflect the net investment income of Plan investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Edgar Filing: AUTOMATIC DATA PROCESSING INC - Form 11-K

Investments—Investments in the Plan consist of various investments which include the ADP Stock Fund, separately managed accounts, commingled trusts, mutual funds, and money market funds.

The Seix Intermediate Bond Fund, the Columbia Dividend Value Fund, the Montag & Caldwell Large Cap Growth Fund and the American Century Small Cap Value Fund are separately managed accounts, with underlying investments that include investments in publicly traded common stock, government bonds, corporate bonds and various other bond issues. The UBS S&P 500 Index Fund, the BlackRock Russell 2000 Growth Fund (which was formerly known as the Barclays Russell 2000 Growth Fund), the JPMorgan SmartRetirement Income Fund, the JPMorgan SmartRetirement 2010 Fund, the JPMorgan SmartRetirement 2015 Fund, the JPMorgan SmartRetirement 2020 Fund, the JPMorgan SmartRetirement 2030 Fund and the JPMorgan SmartRetirement 2040 Fund are commingled trusts. The Western Asset Institutional Government Reserves Fund is a money market fund. The Artio International Equity - Institutional Fund is a mutual fund. The JPMorgan U.S. Government Short-Term Investment Fund is a money market fund used to invest residual cash and is not participant directed.

Participants direct the investment of their contributions and matching employer contributions into the 15 various investment options offered by the Plan. Effective January 1, 2009, matching contributions are deposited into participants' accounts each pay period and are made pursuant to their individual investment election on file at that time.

Vesting—Participants are immediately vested in their contributions, including salary deferral and rollover contributions. Matching Company contributions are vested as follows:

Less than two years of service from date of hire	0%
Two but less than three years of service from date of hire	50%
Three or more years of service from date of hire	100%

Payment of Benefits