UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): **August 8, 2016**

PAYLOCITY HOLDING CORPORATION
(Exact name of registrant as specified in charter)

Delaware	**001-36348**	**46-4066644**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

3850 N. Wilke Road
Arlington Heights, Illinois 60004
(Address of principal executive offices, including zip code)

(847) 463-3200
(Registrant's telephone number, including area code)

Not Applicable
(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:

oWritten communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

oSoliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

oPre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

oPre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On August 9, 2016, Paylocity Holding Corporation (the "Company") issued a press release announcing financial results for the fourth quarter and the full fiscal year 2016, which ended June 30, 2016. The press release contains forward-looking statements regarding the Company, and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

The press release issued August 9, 2016 is furnished herewith as Exhibit 99.1. The information in this Item 2.02, including Exhibit 99.1, is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that Section, nor shall such information be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as otherwise stated in such filing.

Item 5.02(e) Compensatory Arrangements of Certain Officers.

On August 8, 2016, the Company's wholly-owned subsidiary, Paylocity Corporation ("Employer"), entered into an Employment Agreement (the "Employment Agreement") with Edward W. Gaty covering the terms of Mr. Gaty's employment as Senior Vice President of Product and Technology. Mr. Gaty's initial base salary under the Employment Agreement is $270,000 per year to be reviewed annually. Mr. Gaty will be eligible to earn an annual incentive bonus, the target amount of which will be a percentage as determined by the Compensation Committee of the Board of Directors. The bonus will be based on Mr. Gaty's achievement of certain goals established by the Compensation Committee and the Board of Directors. Mr. Gaty will also be eligible to receive long-term equity incentives, as determined during the annual review conducted by the Compensation Committee and the Board of Directors.

The Employment Agreement provides that if Mr. Gaty's employment is terminated by Employer without Cause (as defined in the Employment Agreement), he will receive twelve months of his base salary as in effect at the time of termination. Any payments of severance to Mr. Gaty are subject to Mr. Gaty signing a general release and waiver of claims against Employer.

The foregoing description of the Employment Agreement is qualified in its entirety by reference to the full text of the Employment Agreement, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Executive Employment Agreement between Paylocity Corporation and Edward W. Gaty, dated August 8, 2016.
99.1	Press Release issued by Paylocity Holding Corporation dated August 9, 2016.

SIGNATURES

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

PAYLOCITY HOLDING CORPORATION

Date: August 9, 2016

By: /s/ Peter J. McGrail
Peter J. McGrail
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	Executive Employment Agreement between Paylocity Corporation and Edward W. Gaty, dated August 8, 2016.
99.1	Press Release issued by Paylocity Holding Corporation dated August 9, 2016.

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (this "***Agreement***") is made and entered into by Paylocity Corporation, an Illinois corporation ("***Company***"), and Edward W. Gaty ("***Executive***") effective as of August 8, 2016 (the "***Effective Date***").

The parties agree as follows:

1. Employment. Company hereby employs Executive, and Executive hereby accepts such employment, upon the terms and conditions set forth herein.

2. Duties.

2.1 Position. Executive is employed as Senior Vice President of Product and Technology and shall have the duties and responsibilities assigned by Company's President and Chief Executive Officer ("***CEO***"). Executive shall perform faithfully and diligently all duties assigned to Executive. Company reserves the right to modify Executive's position and duties at any time in its sole and absolute discretion.

2.2 Best Efforts/Full-time. Executive will expend Executive's best efforts on behalf of Company, and will abide by all policies and decisions made by Company, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in the best interest of Company at all times. Executive shall devote Executive's full business time and efforts to the performance of Executive's assigned duties for Company, unless Executive notifies the CEO in advance of Executive's intent to engage in other paid work and receives the CEO's express written consent to do so. Notwithstanding the foregoing, Executive will be permitted to serve as an outside director on the board of directors for nonprofit or charitable entities or managing Executive's personal financial and legal affairs, so long as the foregoing activities, provided such entities are not competitive with Company and subject to the provisions of section 10 below.

2.3 Work Location. Executive's principal place of work shall be located in Arlington Heights, Illinois, or such other location as Company may direct from time to time in connection with the performance of Executive's duties.

3. At-Will Employment. Executive's employment with Company is at-will and not for any specified period and may be terminated at any time, with or without cause (as defined below) or advance notice, by either Executive or Company. No representative of Company, other than the CEO, has the authority to alter the at-will employment relationship. Any change to the at-will employment relationship must be by specific, written agreement signed by Executive and the CEO. Nothing in this Agreement is intended to or should be construed to contradict, modify or alter this at-will relationship.

4. Compensation.

4.1 Base Salary. As of the Effective Date, as compensation for Executive's performance of Executive's duties hereunder, Company shall pay to Executive an annualized

base salary of $270,000, less required deductions for state and federal withholding tax, social security and all other employment taxes and payroll deductions, payable in accordance with the normal payroll practices of Company. Beginning in fiscal year 2017, the Compensation Committee of the Company's Board of Directors (the "***Board***") shall conduct an annual review of Executive's base salary based on third party comparison data and internal management recommendations. The salary increase will be evaluated after each fiscal year and implemented in September of each year. In the event Executive's employment under this Agreement is terminated by either party, for any reason, Executive will earn the base salary prorated to the date of termination.

4.2 Incentive Compensation. Executive will be eligible to earn an annual incentive bonus, the target amount of which shall be a percentage as determined by the Company's Compensation Committee ("***Annual Bonus***"). The Annual Bonus will be based on Executive's achievement of certain goals, which shall be established by Company's Compensation Committee and the Board and communicated to Executive within 60 days of the beginning of each fiscal year. The Annual Bonus shall be less all required taxes and withholdings and will be paid out within 60 days following the end of the fiscal year in which it is earned.

4.3 Equity Incentive Grants. Beginning in fiscal 2017, Executive shall be eligible to receive additional long-term equity incentives, as determined during the annual review conducted by the Compensation Committee and the Board. Immediately prior to the consummation of a Change in Control, the vesting of all unvested shares subject to outstanding equity awards with time-based vesting issued to Executive by Company and/or Paylocity Holding Corporation, Company's parent ("***Parent***") shall be accelerated in full and, if applicable, such equity awards shall become exercisable or shall be settled in full immediately prior to such Change in Control provided that Executive's employment with Company or Parent has not terminated prior to such Change in Control. For the purposes of this Agreement, "***Change in Control***" shall mean (i) the acquisition by any person, entity or "group" (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either the then outstanding equity interests in Parent or the combined voting power of Parent's then outstanding voting securities; or (ii) the consummation of a reorganization, merger or consolidation of Parent or the sale of all or substantially all of the assets of Parent, in each case with respect to which persons who held equity interests in Parent immediately prior to such reorganization, merger, consolidation or sale do not immediately thereafter own, directly or indirectly, 50% or more of the combined voting power of the then outstanding securities of the surviving or resulting corporation or other entity; provided, however, that any such transaction consummated in connection with, or for the purpose of facilitating, an initial public offering shall not constitute a Change in Control hereunder; provided further, however, that a Change in Control shall not include a transaction undertaken for the principal purpose of restructuring the capital of Parent, including, but not limited to, reincorporating Parent in a different jurisdiction, converting Parent to a limited liability company or creating a holding company. Notwithstanding the foregoing, a Change in Control shall not occur for purposes of this Agreement unless such Change in Control constitutes a "change in control event" under Section 409A of the Code and the regulations thereunder.

5. Customary Fringe Benefits. Executive will be eligible for all customary and usual fringe benefits generally available to Executives of Company subject to the terms and conditions of Company's benefit plan documents. Company reserves the right to change or eliminate the fringe benefits on a prospective basis, at any time, effective upon notice to Executive.

6. Business Expenses. Executive will be reimbursed for all reasonable, out-of-pocket business expenses incurred in the performance of Executive's duties on behalf of Company. To obtain reimbursement, expenses must be submitted promptly with appropriate supporting documentation and will be reimbursed in accordance with Company's policies. Any reimbursement Executive is entitled to receive shall (a) be paid no later than the last day of Executive's tax year following the tax year in which the expense was incurred, (b) not be affected by any other expenses that are eligible for reimbursement in any tax year and (c) not be subject to liquidation or exchange for another benefit.

7. Termination of Executive's Employment.

7.1 Termination for Cause by Company. Company may terminate Executive's employment immediately at any time for Cause. For purposes of this Agreement, "***Cause***" is defined as: (i) material dishonest or fraudulent behavior, or convictions of a felony; (ii) the material breach of any covenant contained or referred to in this Agreement; (iii) the failure of Executive to meet fair and reasonable performance standards established by Company from time to time; (iv) Executive's failure or refusal to perform specific directives of Company's Board or CEO, which directives are consistent with the scope and nature of Executive's duties and responsibilities, and which are not remedied by Employee within thirty (30) days after written notice; (v) any violation of the covenant not to disclose confidential information regarding the business of Company and its products as set forth in Section 7 of this Agreement; or (vi) any act of material dishonesty by Executive which adversely affects the business of Company. In the event Executive's employment is terminated in accordance with this subsection 7.1, Executive shall be entitled to receive only Executive's base salary then in effect, prorated to the date of termination and all benefits accrued through the date of termination ("***Accrued Benefits***"). All other Company obligations to Executive pursuant to this Agreement will become automatically terminated and completely extinguished. Executive will not be entitled to receive the Severance Payment described in subsection 7.2 below.

7.2 Termination Without Cause by Company/Severance. Company may terminate Executive's employment under this Agreement without Cause at any time on thirty (30) days' advance written notice to Executive. In the event of such termination, Executive will receive Executive's base salary then in effect, prorated to the date of termination, and Accrued Benefits. In addition, Executive will receive a "***Severance Payment***" equivalent to twelve (12) months of Executive's base salary then in effect on the date of termination, payable as salary continuation in equal installments in accordance with Company's regular payroll cycle over a twelve (12) month period, beginning on the first regular payday occurring 60 days following the termination date. Executive will only receive the Severance Payment if Executive executes a full general release in a form acceptable to Company, releasing all claims, known or unknown, that Executive may have against Company arising out of or any way related to Executive's employment or termination of employment with Company, and such release has become effective in accordance with its terms prior to the 60th day following the termination

date. All other Company obligations to Executive will be automatically terminated and completely extinguished. If Executive's employment with Company terminates due to Executive's death or Executive's inability to perform the essential functions of Executive's position with or without reasonable accommodation, Executive shall not be entitled to the Severance Payment described above.

7.3 Voluntary Resignation by Executive. Executive may voluntarily resign Executive's position with Company at any time on thirty (30) days' advance written notice. In the event of Executive's voluntary resignation, Executive will be entitled to receive only Accrued Benefits for the thirty-day notice period and no other amount. All other Company obligations to Executive pursuant to this Agreement will become automatically terminated and completely extinguished. In addition, Executive will not be entitled to receive the Severance Payment described in subsection 7.2 above.

8. Resignation of Board or Other Positions. Upon the termination of Executive's employment for any reason, Executive agrees to immediately resign all other positions (including Board membership) Executive may hold on behalf of Company.

9. Application of Section 409A.

(a) Notwithstanding anything set forth in this Agreement to the contrary, no amount payable pursuant to this Agreement which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the "***Section 409A Regulations***") shall be paid unless and until Executive has incurred a "separation from service" within the meaning of the Section 409A Regulations. Furthermore, to the extent that Executive is a "specified employee" within the meaning of the Section 409A Regulations as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall be paid to Executive before the date (the "***Delayed Payment Date***") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

(b) Company intends that income provided to Executive pursuant to this Agreement will not be subject to taxation under Section 409A of the Code. The provisions of this Agreement shall be interpreted and construed in favor of satisfying any applicable requirements of Section 409A of the Code. **However, Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement.** In any event, except for Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, Company shall not be responsible for the payment of any applicable taxes on compensation paid or provided to Executive pursuant to this Agreement.

(c) Notwithstanding anything herein to the contrary, the reimbursement of expenses or in-kind benefits provided pursuant to this Agreement shall be subject to the following conditions: (1) the expenses eligible for reimbursement or in-kind benefits in one taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year; (2) the reimbursement of eligible expenses or in-kind benefits shall be made promptly, subject to Company's applicable policies, but in no event later than the end of the year after the year in which such expense was incurred; and (3) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit**.**

(d) For purposes of Section 409A of the Code, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

10. No Conflict of Interest. During the term of Executive's employment with Company, Executive must not engage in any work, paid or unpaid, or other activities that create a conflict of interest. Such work and/or activities shall include, but is not limited to, directly or indirectly competing with Company in any way, or acting as an officer, director, employee, consultant, stockholder, volunteer, lender, or agent of any business enterprise of the same nature as, or which is in direct competition with, the business in which Company is now engaged or in which Company becomes engaged during the term of Executive's employment with Company, as may be determined by Company in its sole discretion. If Company believes such a conflict exists during the term of this Agreement, Company may ask Executive to choose to discontinue the other work and/or activities or resign employment with Company.

11. Non-Competition. Executive agrees that during Executive's employment with Company and for a period of twelve (12) months immediately following termination of such employment for any reason (the "***Non-competition Period***"), Executive shall not in any manner, directly or indirectly, through any person, firm or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor or employee of or consultant to any other corporation or enterprise or otherwise, engage or be engaged, or assist any other person, firm, corporation or enterprise in engaging or being engaged, in any business, in which Executive was involved or had knowledge, being conducted by, or contemplated by, Company or any of its subsidiaries as of the termination of Executive's employment in any geographic area in which Company or any of its subsidiaries is then conducting such business.

12. Non-Solicitation. Executive acknowledges that Company's relationship with its clients, employees, vendors, suppliers and other persons with whom Company has a business relationship (hereinafter referred to as "***Prohibited Persons***"), are special and unique, and that Company's relationship with the Prohibited Persons may not be able to be replaced by Company. Executive further acknowledges that the protection of Company's Prohibited Persons is essential. Therefore, Executive expressly covenants and agrees that during Executive's employment with Company and for a period of twelve (12) months immediately following termination of Executive's employment for any reason (the "***Non-solicitation Period***"), Executive will not at any time for himself or on behalf of any other person, firm, partnership or corporation: (1) induce, or attempt to induce, any Prohibited Persons either to refrain, or to cease doing business with Company; or (2) directly or indirectly solicit, hire, induce or otherwise engage a Prohibited Person in any competitive business.

13. Nondisclosure of Confidential Information.

13.1 Executive recognizes that the knowledge and information about, and relationships with business associates, customers, clients and agents of Company and its affiliated companies, and the business methods, systems, plans, and policies of Company and of its affiliated companies, which Executive may receive, obtain, or establish as an employee of Company are valuable and unique assets of Company or its affiliates. Executive agrees that, during any Employment Period and thereafter, Executive shall not disclose or remove, without the written consent of Company, (i) any material or substantial, confidential, or proprietary know-how, data, or information, including, but not limited to software, data, information relating to customers, pricing, safety manuals, training manuals, Quality Assurance/Quality Control manuals, mandatory processes and means or techniques pertaining to Company or its affiliates, and (ii) any business plans, strategies, targets, or directives, to any person, firm, corporation, or any other entity, for any reason or purpose whatsoever. Executive acknowledges and agrees that all memoranda, notes, records, clients lists, client information and other documents, computer software, data or material in any form made or compiled by Executive or made available to Executive concerning Company's business is and shall be Company's exclusive property and shall be delivered by Executive to Company upon termination of Executive's employment or at any other time upon the request of Company.

13.2 The restrictions in the above paragraph shall not apply to: (1) information that at the time of disclosure is in the public domain through no fault of Executive's; (2) information received from a third party outside of Company that was disclosed without a breach of any confidentiality obligation; (3) information approved for release by written authorization of Company; or (4) information that may be required by law or an order of any court, agency or proceeding to be disclosed. Executive shall provide Company notice of any such required disclosure once Executive has knowledge of it and will help Company to the extent reasonable to obtain an appropriate protective order.

13.3 Company acknowledges that Executive has had significant prior work experience in the industry in which Company is engaged, and that Executive enters into this Agreement with significant prior knowledge, information and relationships in such industry.

14. Enforcement: Remedies, Construction.

14.1 Executive covenants, agrees, and recognizes the breach or threatened breach of the covenants, or any of them, contained in Sections 11, 12 and 13 will result in immediate and irreparable injury to Company and that Company shall be entitled to an injunction restraining Executive or any of his affiliates from any violation of Sections 11, 12 and 13 to the fullest extent allowed by law. Executive further covenants and agrees that in the event of a violation of any of his respective covenants and agreements contained in Sections 11, 12 and 13 hereof, Company shall be entitled to an accounting of all profits, compensation, commissions, remunerations or benefits which Executive directly or indirectly has realized and/or may realize as a result of, growing out of or in connection with any such violation and shall be entitled to receive all such amounts to which Company would be entitled as damages under law or at equity. Nothing herein shall be construed as prohibiting Company from pursuing any other legal or equitable remedies that may be available to it for any such breach or threatened breach.

14.2 Executive agrees that in the event he breaches the covenants, or any of them, contained in Sections 11 and 12, then the Non-competition Period or Non-solicitation Period, as applicable, shall be automatically extended by the length of time any such breach remains continuing.

14.3 Executive hereby expressly acknowledges and agrees as follows:

(a) that he has read the covenants set forth above in Sections 11, 12 and 13, has had an opportunity to discuss them with an attorney and that such covenants are reasonable in all respects and are necessary to protect the legitimate business and competitive interests of Company; and

(b) that each of the covenants set forth in Sections 11, 12 and 13 and the subdivisions thereof are separately and independently given, and each such covenant is intended to be enforceable separately and independently of the other such covenants, including, without limitation, enforcement by injunction without the necessity of proving actual damages or posting any bond or other security; provided, however, that the invalidity or unenforceability of this Agreement in any respect shall not affect the validity or enforceability of this Agreement in any other respect. In the event that any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction by reason of the geographic or business scope or the duration thereof or for any other reason, such invalidity or unenforceability shall attach only to the particular aspect of such provision found invalid or unenforceable as applied and shall not affect or render invalid or unenforceable any other provision of this Agreement or the enforcement of such provision in other circumstances, and, to the fullest extent permitted by law, this Agreement shall be construed as if the geographic or business scope or the duration of such provision or other basis on which such provision has been challenged had been more narrowly drafted so as not to be invalid or unenforceable.

14.4 Nothing in Sections 10 and 11 shall prohibit Executive from being (i) a stockholder in a mutual fund or a diversified investment company or (ii) an owner of not more than two percent of the outstanding stock of any class of a corporation, any securities of which are publicly traded, so long as Executive has no active participation in the business of such corporation.

15. General Provisions.

15.1 Successors and Assigns. The rights and obligations of Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Company. Executive shall not be entitled to assign any of Executive’s rights or obligations under this Agreement.

15.2 Waiver. Either party’s failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

15.3 Attorneys’ Fees. Each side will bear its own attorneys’ fees in any dispute unless a statutory section at issue, if any, authorizes the award of attorneys’ fees to the prevailing party.

15.4 Severability. In the event any provision of this Agreement is found to be unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

15.5 Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

15.6 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of Illinois. Each party consents to the jurisdiction and venue of the state or federal courts in Chicago, Illinois, if applicable, in any action, suit, or proceeding arising out of or relating to this Agreement.

15.7 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. All notices shall be addressed as follows:

EXECUTIVE:

Edward W. Gaty
[****]
[****]

COMPANY:

Paylocity Corporation
3850 N. Wilke Rd.
Arlington Heights, IL 60004
Attention: Steven R. Beauchamp, President and Chief Executive Officer

with a copy to:
DLA Piper LLP
401 Congress Avenue, Suite 2500
Austin, TX 78701
Facsimile: (512) 721- 2290
Attention: John J. Gilluly III, P.C.

or at such changed addresses as the parties may designate in writing.

15.8 Survival. Sections 10 ("No Conflict of Interest"), 11 ("Non-Competition"), 12 ("Non-Solicitation"), 13 ("Nondisclosure of Confidential Information"), 14 ("Enforcement, Remedies and Construction"), 15 ("General Provisions") and 16 ("Entire Agreement") of this Agreement shall survive Executive's employment by Company.

16. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Executive and the Board of Directors of Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

[*Signatures appear on following page*]

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

Edward W. Gaty

Dated: August 8, 2016 /s/ Edward W. Gaty

Paylocity Corporation

Dated: August 8, 2016

By: /s/ Steven R. Beauchamp
Name: Steven R. Beauchamp
Title: President and Chief Executive Officer

Exhibit 99.1

Paylocity Announces Fourth Quarter and Fiscal Year 2016 Financial Results

- **Q4 2016 Total Revenue of $59.8 million, up 50% year-over-year**
- **FY 2016 Total Revenue of $230.7 million, up 51% year-over-year**

Arlington Heights, IL. — August 9, 2016 — Paylocity Holding Corporation (Nasdaq: PCTY), a cloud-based provider of payroll and human capital management software solutions, today announced financial results for the fourth quarter and full fiscal year 2016, which ended June 30, 2016.

“Paylocity ended a record-setting fiscal year with a very strong fourth quarter highlighted by total revenue growth of 50% and recurring revenue growth of 51%, driven by strong sales and operational execution,” said Steve Beauchamp, President and Chief Executive Officer of Paylocity. “The 51% total revenue growth in fiscal year 2016 was a record for Paylocity, and was a result of our strong commitment to customer service, outstanding performance by our sales team and a continued focus on investment in product development.”

Fourth Quarter 2016 Financial Highlights

Revenue:

- Total revenue was $59.8 million, an increase of 50% from the fourth quarter of fiscal year 2015.
- Total recurring revenue was $57.8 million, representing 97% of total revenue and an increase of 51% from the fourth quarter of fiscal year 2015.

Operating Loss:

- GAAP operating loss was ($5.0) million, compared to an operating loss of ($4.3) million in the fourth quarter of fiscal year 2015.
- Non-GAAP operating loss was ($0.0) million, compared to a non-GAAP operating loss of ($1.3) million in the fourth quarter of fiscal year 2015.

Net Loss:

- GAAP net loss was ($5.4) million. This compares to a net loss of ($4.4) million for the fourth quarter of fiscal year 2015. Net loss per share was ($0.11) for the three months ended June 30, 2016 based on 51.1 million basic and diluted weighted average common shares outstanding. Net loss per share was ($0.09) for the three months ended June 30, 2015, based on 50.7 million basic and diluted weighted average common shares outstanding.
- Non-GAAP net loss was ($0.4) million. This compares to non-GAAP net loss of ($1.5) million for the fourth quarter of fiscal year 2015. Non-GAAP net loss per share was ($0.01) for the three months ended June 30, 2016, based on 51.1 million basic and diluted weighted average common shares outstanding. Non-GAAP net loss per share was ($0.03) for the three months ended June 30, 2015, based on 50.7 million basic and diluted weighted average common shares outstanding.

Adjusted EBITDA:

- Adjusted EBITDA, a non-GAAP measure, was $3.3 million compared to Adjusted EBITDA of $0.6 million in the fourth quarter of fiscal year 2015.

Fiscal Year 2016 Financial Highlights

Revenue:

- Total revenue was $230.7 million, an increase of 51% from fiscal year 2015.
- Total recurring revenue was $220.1 million, representing 95% of total revenue and an increase of 53% from fiscal year 2015.

Operating Income (Loss):

- GAAP operating loss was ($3.6) million, compared to an operating loss of ($13.9) million in fiscal year 2015.
- Non-GAAP operating income was $16.2 million, compared to non-GAAP operating income of $0.5 million in fiscal year 2015.

Net Income (Loss):

- GAAP net loss was ($3.9) million for fiscal year 2016. This compares to a net loss of ($14.0) million for fiscal year 2015. Net loss per share was ($0.08) for fiscal year 2016, based on 50.9 million basic and diluted weighted average common shares outstanding. For fiscal year 2015 net loss was ($0.28) per share based on 50.1 million basic and diluted weighted average common shares outstanding.

- Non-GAAP net income was $15.9 million. This compares to non-GAAP net income of $0.4 million in fiscal year 2015. Non-GAAP net income per share was $0.30 for fiscal year 2016 based on 53.5 million pro forma diluted weighted-average common shares outstanding. Non-GAAP net income per share was $0.01 for fiscal year 2015, based on 52.5 million pro forma diluted weighted-average common shares outstanding.

Adjusted EBITDA:

- Adjusted EBITDA, a non-GAAP measure, was $28.4 million for fiscal year 2016 compared to Adjusted EBITDA of $8.2 million for fiscal year 2015.

Balance Sheet and Cash Flow:

- Cash and cash equivalents totaled $86.5 million at the end of the year.

- Cash flow from operations for fiscal year 2016 was $33.0 million compared to $11.1 million for fiscal year 2015.

A reconciliation of GAAP to non-GAAP financial measures has been provided in this press release, including the accompanying tables. An explanation of these measures is also included below under the heading "Non-GAAP Financial Measures."

Business Outlook

Based on information available as of August 9, 2016, Paylocity is issuing guidance for the first quarter and full fiscal year 2017 as indicated below.

First Quarter 2017:

- Total revenue is expected to be in the range of $63.0 million to $64.0 million.

- Adjusted EBITDA is expected to be in the range of $4.5 million to $5.5 million.

- Non-GAAP net income is expected to be in the range of $0.5 million to $1.5 million, or $0.01 to $0.03 per share, based on approximately 54.0 million diluted weighted average common shares outstanding.

Fiscal Year 2017:

- Total revenue is expected to be in the range of $296.0 million to $298.0 million.

- Adjusted EBITDA is expected to be in the range of $36.0 million to $38.0 million.

- Non-GAAP net income is expected to be in the range of $19.0 million to $21.0 million, or $0.35 to $0.38 per share, based on approximately 55.0 million diluted weighted average common shares outstanding.

We are unable to reconcile these forward-looking non-GAAP financial measures to their directly comparable GAAP financial measures because the information which is needed to complete a reconciliation is unavailable at this time without unreasonable effort.

Conference Call Details

Paylocity will host a conference call to discuss its fourth quarter and fiscal year 2016 results at 4:00 p.m. Central Time today (5:00 Eastern Time). A live audio webcast of the conference call, together with detailed financial information, can be accessed through the company's Investor Relations Web site at www.paylocity.com. Participants who choose to call in to the conference call can do so by dialing (855) 226-3021 or (315) 625-6892, passcode 41307524. A replay of the call will be available and archived via webcast at www.paylocity.com.

About Paylocity

Paylocity is a provider of cloud-based payroll and human capital management, or HCM, software solutions for medium-sized organizations. Paylocity's comprehensive and easy-to-use solutions enable its clients to manage their workforces more effectively. Paylocity's solutions help drive strategic human capital decision-making and improve employee engagement by enhancing the human resource, payroll and finance capabilities of its clients. For more information, visit www.paylocity.com.

Source: Paylocity

Non-GAAP Financial Measures

The company uses certain non-GAAP financial measures in this release, including Adjusted EBITDA, adjusted gross profit, adjusted recurring gross profit, non-GAAP operating income (loss), non-GAAP net income (loss), non-GAAP net income (loss) per share, non-GAAP sales and marketing, non-GAAP total research and development and non-GAAP general and administrative. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flow that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. We define Adjusted EBITDA as net income (loss) before interest expense, taxes, and depreciation and amortization expense, adjusted to eliminate stock-based compensation expense and employer payroll taxes related to stock releases and option exercises. Adjusted gross profit and adjusted recurring gross profit are adjusted to eliminate stock-based compensation expense and employer payroll taxes related to stock releases and option exercises and amortization of capitalized internal-use software costs. Non-GAAP operating income (loss) is adjusted to eliminate stock-based compensation expense and employer payroll taxes related to stock releases and option exercises and the amortization of acquired intangibles. Non-GAAP sales and marketing expense is adjusted to eliminate stock-based compensation expense and employer payroll taxes related to stock releases and option exercises. Non-GAAP general and administrative expense is adjusted to eliminate stock-based compensation expense and employer payroll taxes related to stock releases and option exercises and the amortization of acquired intangibles. Non-GAAP net income (loss) and non-GAAP net income (loss) per share are adjusted to eliminate stock-based compensation expense and employer payroll taxes related to stock releases and option exercises and the amortization of acquired intangibles. Pro forma diluted weighted-average number of common shares are

---

adjusted for the weighted-average effect of potentially diluted shares. Non-GAAP total research and development is adjusted for capitalized internal-use software costs and to eliminate stock-based compensation expense and employer payroll taxes related to stock releases and option exercises. Please note that other companies may define their non-GAAP financial measures differently than we do. Management presents certain non-GAAP financial measures in this release because it considers them to be important supplemental measures of performance. Management uses these non-GAAP financial measures for planning purposes, including analysis of the company's performance against prior periods, the preparation of operating budgets and to determine appropriate levels of operating and capital investments. Management believes that these non-GAAP financial measures provide additional insight for analysts and investors in evaluating the company's financial and operational performance. Management also intends to provide these non-GAAP financial measures as part of the company's future earnings discussions and, therefore, the inclusion of the non-GAAP financial measures should provide consistency in the company's financial reporting. Non-GAAP financial measures have limitations as an analytical tool. Investors are encouraged to review the reconciliation of the non-GAAP measures to their most directly comparable GAAP measures provided in this release.

Safe Harbor/forward looking statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included herein regarding Paylocity's future operations, future financial position and performance, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "will," "would," "seek" and similar expressions (or the negative of these terms) are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include, among other things, statements about management's estimates regarding future revenues and financial performance and other statements about management's beliefs, intentions or goals. Paylocity may not actually achieve the expectations disclosed in the forward-looking statements, and you should not place undue reliance on Paylocity's forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results or events to differ materially from the expectations disclosed in the forward-looking statements, including, but not limited to, risks related to Paylocity's ability to retain existing clients and to attract new clients to enter into subscriptions for its services; Paylocity's ability to sell new products, such as ACA Enhanced, to its existing customers and new customers; Paylocity's ability to service clients effectively; Paylocity's ability to expand its sales organization to effectively address new geographies; Paylocity's ability to continue to expand its referral network of third parties; Paylocity's ability to accurately forecast revenue and appropriately plan its expenses; Paylocity's ability to manage its growth effectively; Paylocity's ability to forecast its tax position, including but not limited to the assessment of the need for a valuation allowance against its deferred tax position; continued acceptance of SaaS as an effective method for delivery of payroll and HCM solutions; Paylocity's ability to protect and defend its intellectual property; the risk that Paylocity's security measures are compromised or the unauthorized access to customer data; unexpected events in the market for Paylocity's solutions; future regulatory, judicial and legislative changes in its industry, including changes in ACA that could impact sales of the ACA Enhanced product; changes in the competitive environment in Paylocity's industry and the market in which it operates; adverse changes in general economic or market conditions; changes in the employment rates of Paylocity's clients and the resultant impact

---

on revenue; and other risks and potential factors that could affect Paylocity's business and financial results identified in Paylocity's filings with the Securities and Exchange Commission (the "SEC"), including its 10-K filed with the SEC on August 14, 2015. Additional information will also be set forth in Paylocity's future quarterly reports on Form 10-Q, annual reports on Form 10-K and other filings that Paylocity makes with the SEC. These forward-looking statements represent Paylocity's expectations as of the date of this press release. Subsequent events may cause these expectations to change, and Paylocity disclaims any obligations to update or alter these forward-looking statements in the future, whether as a result of new information, future events or otherwise.

PAYLOCITY HOLDING CORPORATION
Consolidated Balance Sheets
(in thousands, except per share data)

	As of June 30, 2015	As of June 30, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 81,258	$ 86,496
Accounts receivable, net	1,115	1,681
Prepaid expenses and other	4,416	7,409
Deferred income tax assets, net	775	—
Total current assets before funds held for clients	87,564	95,586
Funds held for clients	591,219	1,239,622
Total current assets	678,783	1,335,208
Long-term prepaid expenses	403	845

Capitalized internal-use software, net	7,357	11,427
Property and equipment, net	16,061	26,787
Intangible assets, net	11,941	10,419
Goodwill	6,003	6,003
Total assets	$ 720,548	$ 1,390,689
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 1,327	$ 1,621
Consideration related to acquisitions	511	—
Accrued expenses	16,430	24,979
Total current liabilities before client fund obligations	18,268	26,600
Client fund obligations	591,219	1,239,622
Total current liabilities	609,487	1,266,222
Deferred rent	2,607	4,646
Deferred income tax liabilities, net	874	249
Total liabilities	$ 612,968	$ 1,271,117
Stockholders' equity		
Preferred stock, $0.001 par value, 5,000 authorized, no shares issued and outstanding at June 30, 2015 and 2016	$ —	$ —
Common stock, $0.001 par value, 155,000 shares authorized at June 30, 2015 and 2016, 50,703 and 51,132 shares issued and outstanding at June 30, 2015 and 2016, respectively	51	51
Additional paid-in capital	155,672	171,515
Accumulated deficit	(48,143)	(51,994)
Total stockholders' equity	$ 107,580	$ 119,572
Total liabilities and stockholders' equity	$ 720,548	$ 1,390,689

PAYLOCITY HOLDING CORPORATION
Consolidated Statements of Operations
(in thousands, except per share data)

	For the Three Months Ended June 30,		For the Years Ended June 30,	
	2015	2016	2015	2016
Revenues:				
Recurring fees	$ 37,636	$ 57,042	$ 142,168	$ 217,416
Interest income on funds held for clients	547	742	1,901	2,688
Total recurring revenues	38,183	57,784	144,069	220,104
Implementation services and other	1,821	2,055	8,629	10,597
Total revenues	40,004	59,839	152,698	230,701
Cost of revenues:				
Recurring revenues	11,750	18,273	46,366	66,131
Implementation services and other	6,366	8,308	24,530	31,954
Total cost of revenues	18,116	26,581	70,896	98,085
Gross profit	21,888	33,258	81,802	132,616
Operating expenses:				
Sales and marketing	11,883	17,361	43,035	61,832
Research and development	5,513	7,749	19,864	26,736
General and administrative	8,756	13,188	32,824	47,598
Total operating expenses	26,152	38,298	95,723	136,166
Operating loss	(4,264)	(5,040)	(13,921)	(3,550)
Other income (expense)	(126)	(338)	54	(124)
Loss before income taxes	(4,390)	(5,378)	(13,867)	(3,674)
Income tax expense	39	34	105	177
Net loss	$ (4,429)	$ (5,412)	$ (13,972)	$ (3,851)
Net loss per share attributable to common stockholders:				
Basic	$ (0.09)	$ (0.11)	$ (0.28)	$ (0.08)
Diluted	$ (0.09)	$ (0.11)	$ (0.28)	$ (0.08)
Weighted-average shares used in computing net loss per share attributable to common stockholders:				
Basic	50,650	51,058	50,127	50,913
Diluted	50,650	51,058	50,127	50,913

Stock-based compensation expense and employer payroll taxes related to stock releases and option exercises are included in the above line items:

	For the Three Months Ended June 30, 2015	For the Three Months Ended June 30, 2016	For the Years Ended June 30, 2015	For the Years Ended June 30, 2016
Cost of revenue - recurring	$ 311	$ 448	$ 1,567	$ 1,765
Cost of revenue - implementation services and other	212	297	1,251	1,202
Sales and marketing	631	1,207	3,347	4,567
Research and development	468	714	2,609	2,942
General and administrative	991	1,973	4,722	7,723
Total	$ 2,613	$ 4,639	$ 13,496	$ 18,199

PAYLOCITY HOLDING CORPORATION
Consolidated Statements of Cash Flows
(in thousands)

	For the Years Ended June 30, 2015	For the Years Ended June 30, 2016
Cash flows from operating activities:		
Net loss	$ (13,972)	$ (3,851)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Stock-based compensation	13,169	17,563
Depreciation and amortization	8,609	13,873
Deferred income tax expense	91	150
Provision for doubtful accounts	90	159
Loss on disposal of equipment	256	712
Changes in operating assets and liabilities:		
Accounts receivable	(449)	(725)
Prepaid expenses	(1,754)	(3,270)
Trade accounts payable	(186)	72
Accrued expenses	5,251	8,310
Net cash provided by operating activities	11,105	32,993
Cash flows from investing activities:		
Capitalized internal-use software costs	(4,215)	(8,391)
Purchases of property and equipment	(9,020)	(16,083)
Payments for acquisitions	(11,979)	(483)
Net change in funds held for clients	(173,958)	(648,403)
Net cash used in investing activities	(199,172)	(673,360)
Cash flows from financing activities:		
Net change in client funds obligation	173,958	648,403
Proceeds from follow-on offering, net of issuance costs	18,367	—
Payments on initial public offering costs	(75)	—
Proceeds from exercise of stock options	247	137
Proceeds from employee stock purchase plan	1,773	2,991
Taxes paid related to net share settlement of equity awards	(3,793)	(5,926)
Net cash provided by financing activities	190,477	645,605
Net Change in Cash and Cash Equivalents	2,410	5,238
Cash and Cash Equivalents—Beginning of Year	78,848	81,258
Cash and Cash Equivalents—End of Year	$ 81,258	$ 86,496
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Build-out allowances received from landlords	—	$ 1,888
Purchase of property and equipment and internal-use software, accrued but not paid	$ 210	$ 607
Unpaid initial offering costs	—	—
Supplemental disclosure of cash flow information		
Cash paid for income taxes, net of refunds	$ 162	$ 3
Cash paid for interest	—	—

Paylocity Holding Corporation
Reconciliation of GAAP to non-GAAP Financial Measures
(In thousands except per share data)

	Three months Ended June 30, 2015	Three months Ended June 30, 2016	For the year Ended June 30, 2015	For the year Ended June 30, 2016
Reconciliation from gross profit to adjusted gross profit:				
Gross profit	$ 21,888	$ 33,258	$ 81,802	$ 132,616
Amortization of capitalized internal-use software costs	685	1,577	2,606	5,446

	2015	2016	2015	2016
Stock-based compensation expense and employer payroll taxes related to stock releases and option exercises	523	745	2,818	2,967
Adjusted gross profit	$ 23,096	$ 35,580	$ 87,226	$ 141,029

	Three months Ended June 30, 2015	Three months Ended June 30, 2016	For the year Ended June 30, 2015	For the year Ended June 30, 2016
Reconciliation from total recurring revenues to adjusted recurring gross profit:				
Total recurring revenues	$ 38,183	$ 57,784	$ 144,069	$ 220,104
Cost of recurring revenues	11,750	18,273	46,366	66,131
Recurring gross profit	26,433	39,511	97,703	153,973
Amortization of capitalized internal-use software costs	685	1,577	2,606	5,446
Stock-based compensation expense and employer payroll taxes related to stock releases and option exercises	311	448	1,567	1,765
Adjusted recurring gross profit	$ 27,429	$ 41,536	$ 101,876	$ 161,184

	Three months Ended June 30, 2015	Three months Ended June 30, 2016	For the year Ended June 30, 2015	For the year Ended June 30, 2016
Reconciliation from operating loss to non-GAAP operating income (loss):				
Operating loss	$ (4,264)	$ (5,040)	$ (13,921)	$ (3,550)
Stock-based compensation expense and employer payroll taxes related to stock releases and option exercises	2,613	4,639	13,496	18,199
Amortization of acquired intangibles	349	380	919	1,522
Non-GAAP operating income (loss)	$ (1,302)	$ (21)	$ 494	$ 16,171

	Three months Ended June 30, 2015	Three months Ended June 30, 2016	For the year Ended June 30, 2015	For the year Ended June 30, 2016
Reconciliation from net loss to non-GAAP net income (loss):				
Net loss	$ (4,429)	$ (5,412)	$ (13,972)	$ (3,851)
Stock-based compensation expense and employer payroll taxes related to stock releases and option exercises	2,613	4,639	13,496	18,199
Amortization of acquired intangibles	349	380	919	1,522
Non-GAAP net income (loss)	$ (1,467)	$ (393)	$ 443	$ 15,870

	Three months Ended June 30, 2015	Three months Ended June 30, 2016	For the year Ended June 30, 2015	For the year Ended June 30, 2016
Calculation of non-GAAP net income (loss) per share:				
Non-GAAP net income (loss)	$ (1,467)	$ (393)	$ 443	$ 15,870
Diluted weighted-average number of common shares (pro forma for years ended June 30, 2015 and 2016)	50,650	51,058	52,493	53,522
Non-GAAP net income (loss) per share	$ (0.03)	$ (0.01)	$ 0.01	$ 0.30

	Three months Ended June 30, 2015	Three months Ended June 30, 2016	For the year Ended June 30, 2015	For the year Ended June 30, 2016
Reconciliation from diluted weighted-average number of common shares as reported to pro forma diluted weighted average number of common shares				
Diluted weighted-average number of common shares, as reported	50,650	51,058	50,127	50,913
Weighted-average effect of potentially dilutive shares	—	—	2,366	2,609
Pro forma diluted weighted-average number of common shares	50,650	51,058	52,493	53,522

	Three months Ended June 30, 2015	Three months Ended June 30, 2016	For the year Ended June 30, 2015	For the year Ended June 30, 2016
Reconciliation from net loss to Adjusted EBITDA:				
Net loss	$ (4,429)	$ (5,412)	$ (13,972)	$ (3,851)
Interest expense	—	—	—	—
Income tax expense	39	34	105	177
Depreciation and amortization	2,364	3,998	8,609	13,873
EBITDA	(2,026)	(1,380)	(5,258)	10,199
Stock-based compensation expense and employer payroll taxes related to stock releases and option exercises	2,613	4,639	13,496	18,199
Adjusted EBITDA	$ 587	$ 3,259	$ 8,238	$ 28,398

	Three months Ended June 30, 2015	Three months Ended June 30, 2016	For the year Ended June 30, 2015	For the year Ended June 30, 2016
Reconciliation of non-GAAP Sales and Marketing:				
Sales and Marketing	$ 11,883	$ 17,361	$ 43,035	$ 61,832
Stock-based compensation expense and employer payroll taxes	631	1,207	3,347	4,567

related to stock releases and option exercises				
Non-GAAP Sales and Marketing	$ 11,252	$ 16,154	$ 39,688	$ 57,265

	Three months Ended June 30,		For the year Ended June 30,	
	2015	2016	2015	2016
Reconciliation of non-GAAP Total Research and Development:				
Research and Development	$ 5,513	$ 7,749	$ 19,864	$ 26,736
Capitalized internal-use software costs	1,671	2,584	4,215	8,391
Stock-based compensation expense and employer payroll taxes related to stock releases and option exercises	468	714	2,609	2,942
Non-GAAP Total Research and Development	$ 6,716	$ 9,619	$ 21,470	$ 32,185

	Three months Ended June 30,		For the year Ended June 30,	
	2015	2016	2015	2016
Reconciliation of non-GAAP General and Administrative:				
General and Administrative	$ 8,756	$ 13,188	$ 32,824	$ 47,598
Stock-based compensation expense and employer payroll taxes related to stock releases and option exercises	991	1,973	4,722	7,723
Amortization of acquired intangibles	349	380	919	1,522
Non-GAAP General and Administrative	$ 7,416	$ 10,835	$ 27,183	$ 38,353