

PAYCHEX INC
Form DEF 14A
August 31, 2011

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

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by

Rule 14a-6(e)(2)) Definitive Proxy Statement Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Paychex, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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August 31, 2011

Dear Paychex Stockholder:

The Board of Directors cordially invites you to attend our Annual Meeting of Stockholders (the Annual Meeting) on Tuesday, October 11, 2011 at 10:00 a.m. Eastern Time at The Strong, One Manhattan Square, Rochester, NY, 14607. *Please note this is a change in venue from the prior year.*

This booklet includes the formal Notice of Annual Meeting of Stockholders and the Proxy Statement. The Proxy Statement tells you about the agenda items and the procedures for the Annual Meeting. It also provides certain information about Paychex, Inc., its Board of Directors, and its named executive officers.

It is important that your shares be represented at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, you are encouraged to vote. You may vote by Internet, telephone, proxy card, or written ballot at the Annual Meeting. We encourage you to use the Internet as it is the most cost-effective way to vote. If you elected to electronically access the Proxy Statement and Annual Report, you will not be receiving a proxy card and must vote via the Internet.

We hope you will be able to attend the Annual Meeting and would like to take this opportunity to remind you that your vote is important. If you need special assistance at the Annual Meeting, please contact the Corporate Secretary at (800) 828-4411, or write to Paychex, Inc., 911 Panorama Trail South, Rochester, New York 14625-2396, Attention: Corporate Secretary.

Sincerely,

Martin Mucci
President and Chief Executive Officer

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PAYCHEX, INC.

911 Panorama Trail South Rochester, New York 14625-2396

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

- Date and Time:** 10:00 a.m. Eastern Time on Tuesday, October 11, 2011. Continental breakfast will be available from 9:00 a.m. to 10:00 a.m.
- Location:** The Strong, One Manhattan Square, Rochester, NY, 14607.
- Items of Business:**
- (1) To elect nine nominees to the Board of Directors for one-year terms;
 - (2) To hold an advisory vote on executive compensation;
 - (3) To hold an advisory vote on the frequency of future advisory votes on executive compensation;
 - (4) To ratify the selection of the independent registered public accounting firm; and
 - (5) To transact such other business as may properly come before the Annual Meeting, or any adjournment thereof.
- Record Date:** Stockholders of record as of the close of business on August 12, 2011, are entitled to notice of, and to vote at, the Annual Meeting.
- Voting:** Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented and voted at the Annual Meeting. You may vote either by signing and returning the enclosed proxy card, via the Internet, by telephone, or by written ballot at the Annual Meeting as more fully described in the Proxy Statement.
- Annual Meeting Webcast:** The Annual Meeting will be simultaneously broadcast over the Internet at 10:00 a.m. Eastern Time on October 11, 2011. Please note that you will not be able to vote or ask questions through the webcast. It can be accessed at the Investor Relations page at www.paychex.com, and will be archived and available for replay for approximately one month.

August 31, 2011
By Order of the Board of Directors
Stephanie L. Schaeffer
Corporate Secretary

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2011
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON OCTOBER 11, 2011**

Paychex, Inc.'s Proxy Statement and Annual Report for the year ended May 31, 2011 are available at
<http://investor.paychex.com/annual.aspx>

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PROXY STATEMENT

**2011 ANNUAL MEETING OF STOCKHOLDERS OF PAYCHEX, INC.
TO BE HELD ON OCTOBER 11, 2011**

This Proxy Statement is being mailed to stockholders of Paychex, Inc. (Paychex, the Company, we, or our), a Delaware corporation, on or about August 31, 2011, in connection with the solicitation of proxies by the Board of Directors of the Company (the Board) to be voted at the 2011 Annual Meeting of Stockholders (the Annual Meeting). The Annual Meeting will be held on Tuesday, October 11, 2011 at 10:00 a.m. Eastern Time at The Strong, One Manhattan Square, Rochester, NY, 14607.

Stockholders Entitled to Vote; Outstanding Shares; Quorum

Paychex has one class of shares outstanding, designated common stock, \$0.01 par value per share. The Board has fixed the close of business on August 12, 2011 as the record date for determining the holders of common stock entitled to notice of, and to vote at, the Annual Meeting. As of the record date, 362,685,721 shares of common stock were issued and outstanding. A majority of the issued and outstanding shares (181,342,862 shares) present at the Annual Meeting in person or by proxy will constitute a quorum. A quorum is necessary to hold a valid meeting. Stockholders will be entitled to one vote for each share of common stock held as of the record date.

How to Vote

Your vote is very important and we hope that you will attend the Annual Meeting. However, whether or not you plan to attend the Annual Meeting, please vote by proxy.

Registered Stockholders. If your shares are registered directly in your name with the Company's transfer agent, American Stock Transfer & Trust Company, LLC, you are considered a stockholder of record of those shares. Please vote by proxy in accordance with the instructions on your proxy card, or the instructions you receive through electronic mail.

There are three convenient ways to submit your vote by proxy:

Voting by Internet You can vote via the Internet by visiting the website noted on your proxy card. Internet voting is available 24 hours a day. We encourage you to vote via the Internet, as it is the most cost-effective way to vote.

Voting by telephone You can also vote your shares by telephone by calling the toll-free telephone number indicated on your proxy card and following the voice prompt instructions. Telephone voting is available 24 hours a day.

Voting by mail If you choose to vote by mail, simply mark your proxy card, sign and date it, and return it in the enclosed postage-paid envelope. If you elected to electronically access the Proxy Statement and Annual Report, you will not be receiving a proxy card and must vote via the Internet.

The deadline for Internet or telephone voting is 11:59 p.m. Eastern Time on Monday, October 10, 2011. If you vote by telephone or the Internet, you do not need to return your proxy card. Signing and returning your proxy card or submitting your proxy via the Internet or by telephone does not affect your right to vote in person if you attend the Annual Meeting and your shares are registered in your name.

Beneficial Stockholders. If you hold your shares through a broker, bank, or other holder of record, you are not a registered stockholder, but rather are considered a beneficial owner of those shares. In order to vote your shares, please refer to the voting instruction form or other materials forwarded to you by your broker, bank, or other holder of record. If your shares are held in the name of a broker, bank, or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote in person at the Annual Meeting.

Voting by Participants in the Paychex Employee Stock Ownership Plan Stock Fund. If a stockholder is a participant in the Paychex Employee Stock Ownership Plan Stock Fund (ESOP) of the Paychex 401(k) Incentive Retirement Plan (the 401(k) Plan), the stockholder can vote using the previously described methods. This will serve as a voting instruction for Fidelity Management Trust Company (the Trustee), where all accounts are

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registered in the same name. As a participant in the ESOP, the stockholder has the right to direct the Trustee, who is the holder of record, regarding how to vote the shares of common stock credited to the participant's account at the Annual Meeting. The participant's voting instructions will be tabulated confidentially. Only the Trustee and/or the tabulator will have access to the participant's individual voting direction. If voting instructions for the shares of common stock in the ESOP are not received, those shares will be voted by the Trustee in the same proportions as the shares for which voting instructions were received from other participants in the ESOP. Voting by ESOP participants will close at 11:59 p.m. Eastern Time on October 6, 2011. The Trustee will then vote all shares of common stock held in the ESOP by the established deadline.

Revoking Your Proxy

Registered stockholders can revoke their proxy at any time prior to it being voted at the Annual Meeting by:

- providing written notice of revocation to the Corporate Secretary;
- submitting a later-dated proxy via the Internet, telephone, or mail; or
- voting in person at the Annual Meeting.

Beneficial stockholders should contact their broker, bank, or other holder of record for instructions on how to change their vote.

General Information on Voting

All votes properly cast and not revoked will be voted at the Annual Meeting in accordance with the stockholder's directions. Shares voted by proxy card received without choices specified will be voted as follows:

- FOR** the nine nominees for election to the Board;
- FOR** the executive compensation program (say-on-pay vote);
- FOR** a frequency of **every year** for advisory votes on executive compensation; and
- FOR** the ratification of the selection of the independent registered public accounting firm (the independent accountants).

If a broker holds your shares in its name, and you do not provide your voting instructions to them, that broker is permitted to use its own discretion and vote your shares on routine matters. However, a broker does not have discretion to vote your shares on non-routine matters (broker non-votes). Broker non-votes are not considered votes for or against a proposal and therefore will have no direct impact on any proposal since they are not deemed to be duly cast nor entitled to vote, but they will be counted for the purpose of determining the presence or absence of a quorum. *Therefore, we urge you to give voting instructions to your broker on all voting items.*

Abstentions are also counted for the purposes of establishing a quorum, but will have the same effect as a vote against a proposal, except in regards to the election of directors and the frequency of advisory votes on executive compensation. For these two items, abstentions will have no direct impact.

Table of Contents**Vote Required**

The table below shows the vote required to approve each of the proposals described in this Proxy Statement, assuming the presence of a quorum at the Annual Meeting. With respect to Proposals 1, 2, and 4, you may vote FOR, AGAINST, or ABSTAIN. With respect to Proposal 3, you may vote for a frequency of ONE YEAR, TWO YEARS, or THREE YEARS, or you may ABSTAIN.

Proposal Number	Proposal Description	Vote Required
Proposal 1	Election of nine nominees to the Board of Directors	Majority of the votes duly cast
Proposal 2	An advisory vote on executive compensation	Majority of the shares present in person or by proxy and entitled to vote
Proposal 3	An advisory vote on the frequency of future advisory votes on executive compensation	Frequency receiving majority of the votes duly cast
Proposal 4	Ratification of the selection of the independent accountants	Majority of the shares present in person or by proxy and entitled to vote

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The following table sets forth information, based upon reports filed by such persons with the Securities and Exchange Commission (SEC), as of July 31, 2011, with respect to the beneficial ownership of common stock of the Company by: (i) any person (including any group as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) who is known by the Company to be the beneficial owner of more than 5% of the Company's voting securities; (ii) each director and nominee for director of the Company; (iii) each of the named executive officers (NEO s) of the Company named in the Fiscal 2011 Summary Compensation Table; and (iv) all directors, NEOs, and executive officers of the Company as a group.

Name	Amount of Beneficial Ownership of Common Stock ⁽¹⁾	Percent of Class ⁽¹⁾
More than 5% owners:		
B. Thomas Golisano ^{(2),(3),(4)} 1 Fishers Road Pittsford, NY 14534	37,958,637	10.4%
Capital World Investors ⁽⁵⁾ 333 South Hope Street Los Angeles, CA 90071	29,638,718	8.2%
Directors:		
B. Thomas Golisano ^{(2),(3),(4)}	37,958,637	10.4%
Joseph G. Doody ⁽⁶⁾	5,094	**
David J. S. Flaschen ^{(6),(7)}	83,779	**
Phillip Horsley ^{(6),(7)}	148,736	**
Grant M. Inman ^{(4),(6),(7)}	246,920	**
Pamela A. Joseph ^{(6),(7)}	37,471	**
Martin Mucci ^{(6),(7)}	304,886	**
Joseph M. Tucci ^{(6),(7)}	69,971	**
Joseph M. Velli ^{(6),(7)}	36,304	**
Named Executive Officers:		
Martin Mucci ^{(6),(7)}	304,886	**
John M. Morphy ^{(6),(7)}	254,950	**
Michael E. Gioja ^{(6),(7)}	31,087	**
William G. Kuchta ^{(6),(7)}	145,813	**
Michael A. McCarthy ^{(6),(7),(8)}	92,182	**
Jonathan J. Judge ⁽⁹⁾	55,004	**
Delbert M. Humenik ⁽¹⁰⁾	813	**
All directors, NEOs, and executive officers of the Company as a group (18 persons)^{(6),(7)}	39,504,539	10.9%

** Indicated percentage is less than 1%.

- (1) Based upon the number of shares of common stock issued and outstanding as of July 31, 2011. Under the rules of the SEC, beneficial ownership is deemed to include shares for which the individual, directly or indirectly, has or shares voting or disposition power, whether or not they are held for the individual's benefit, and includes shares that may be acquired within 60 days by exercise of options.
- (2) Included in shares beneficially owned for Mr. Golisano are 278,060 shares owned by the B. Thomas Golisano Foundation for which Mr. Golisano is a member of the foundation's six-member board of trustees. Mr. Golisano disclaims beneficial ownership of these shares.
- (3) Mr. Golisano has 11,430,295 shares pledged as security.
- (4) Included in shares beneficially owned are shares held in the names of family members or other entities: Mr. Golisano 71,330 shares; and Mr. Inman 136,949 shares.
- (5) Beneficial ownership information is based on information contained in the Form 13F filed with the SEC on May 13, 2011 by Capital World Investors. Capital World Investors, a division of Capital Research and

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Management Company (CRMC), is deemed to be the beneficial owner of 29,638,718 shares as a result of CRMC s acting as investment advisor to various investment companies registered under Section 8 of the Investment Company Act of 1940.

- (6) Included in shares beneficially owned are unvested restricted stock: Mr. Doody 3,094 shares; Mr. Flaschen 5,449 shares; Mr. Horsley 1,652 shares; Mr. Inman 5,449 shares; Ms. Joseph 5,449 shares; Mr. Mucci 52,558 shares; Mr. Tucci 5,449 shares; Mr. Velli 5,449 shares; Mr. Morphy 54,615 shares; Mr. Gioja 12,714 shares; Mr. Kuchta 17,310 shares; Mr. McCarthy 18,042 shares; and all directors, NEOs, and executive officers as a group 204,546 shares.
- (7) Included in shares beneficially owned are shares that may be acquired upon exercise of options, which are exercisable on or prior to September 29, 2011: Mr. Flaschen 59,979 shares; Mr. Horsley 47,084 shares; Mr. Inman 59,979 shares; Ms. Joseph 24,979 shares; Mr. Mucci 238,367 shares; Mr. Tucci 59,979 shares; Mr. Velli 21,979 shares; Mr. Morphy 176,338 shares; Mr. Gioja 17,108 shares; Mr. Kuchta 114,188 shares; Mr. McCarthy 68,188 shares; and all directors, NEOs, and executive officers as a group 901,525 shares.
- (8) Mr. McCarthy retired from the Company effective August 1, 2011 and, as a result, forfeited 18,042 shares of unvested restricted stock included in his beneficial ownership as of July 31, 2011.
- (9) Mr. Judge resigned from his position of President and Chief Executive Officer effective July 31, 2010.
- (10) Mr. Humenik resigned from his position of Senior Vice President of Sales and Marketing effective October 15, 2010.

Table of Contents**PROPOSAL 1 ELECTION OF DIRECTORS FOR A ONE-YEAR TERM**

Stockholders annually elect directors to serve for one year and until the directors' successors have been elected and qualified. The nine persons listed below, each of whom currently serves as a director, have been nominated for election to the Board by the Company's Governance and Compensation Committee. Seven of the nine nominees are neither employees nor former employees of the Company. If elected, each nominee will hold office until the 2012 Annual Meeting of Stockholders and until his or her successor is elected and has qualified. Although the Board believes that all of the nominees will be available to serve as a director, the persons named in the enclosed proxy may exercise discretionary authority to vote for substitute nominees proposed by the Board. Below we identify and describe the key experience, qualifications, and skills our directors bring to the Board that are important in light of our business and structure. Also included below are any public company directorships held during the past five years and directors' periods of service to our Board.

Name	Age	Director Since	Position, Principal Occupation, Business Experience, Directorships, and Qualifications
B. Thomas Golisano	69	1979	Mr. Golisano founded Paychex in 1971 and is Chairman of the Board of the Company. Until October 2004, he served as President and Chief Executive Officer of the Company. He serves on the board of trustees of the Rochester Institute of Technology. Mr. Golisano serves as a director of numerous non-profit organizations and private companies, and is founder and member of the board of trustees of the B. Thomas Golisano Foundation. He serves on our Executive Committee. Mr. Golisano has extensive executive experience as the founder and former Chief Executive Officer of Paychex, which provides him with in-depth knowledge of the operations of the Company and qualifies him to lead the Board.
Joseph G. Doody	58	2010	Mr. Doody has served as President, North American Delivery of Staples, Inc., an office products company, since 1998. From 1974 to 1998, Mr. Doody held several managerial positions with Eastman Kodak Company, an imaging technology company, most recently serving as General Manager and Vice President, North America, Office Imaging. Mr. Doody serves as a director of Casella Waste Systems, Inc. and is a member of the Executive Advisory Committee for the Simon Graduate School of Business at the University of Rochester. He serves on our Audit Committee. Mr. Doody's strong understanding of small- to medium-sized businesses through his experience at Staples, as demonstrated by growth within his organization, provides our Board with important operational insight.

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Name	Age	Director Since	Position, Principal Occupation, Business Experience, Directorships, and Qualifications
David J. S. Flaschen	55	1999	Mr. Flaschen is an investor and advisor to a number of private companies providing business, marketing, and information services. Most recently, he was a partner with Castanea Partners, a private equity investment firm, from 2005 to 2011. Mr. Flaschen is a director of various private companies. He is the Chairman of our Audit Committee and serves on our Investment Committee and Governance and Compensation Committee. Mr. Flaschen has extensive executive experience in information and marketing services. His financial expertise is a great benefit to the Board and Audit Committee, acquired through his education and his experience, including his role in assessing financial performance of other companies and in reviewing and understanding financial statements.
Phillip Horsley	72	2011	Mr. Horsley is the founder of Horsley Bridge Partners, a leading manager of private equity investments for institutional investors, since 1982. Mr. Horsley was a director of the Company from 1982 to 2009, and is standing for re-election at the 2011 Annual Meeting. Mr. Horsley has a strong background in finance and business and has expertise in investment management. Mr. Horsley's long-term relationship with the Company provides him with extensive knowledge of the Company's history and operating environment.
Grant M. Inman	69	1983	Mr. Inman is the founder and General Partner of Inman Investment Management, a private investment company formed in 1998. He is a director of Lam Research Corporation and several private companies. He was a director of Wind River Systems, Inc. until July 2009. Mr. Inman is a trustee of the University of California, Berkeley Foundation. He is the Chairman of our Investment Committee and serves on our Audit Committee and Governance and Compensation Committee. Mr. Inman has a strong background in finance, business, and entrepreneurial experience, and has expertise in investment management. Mr. Inman's 28-year tenure on the Board provides him with extensive knowledge of the Company.
Pamela A. Joseph	52	2005	Ms. Joseph is Vice Chairman of U.S. Bancorp Payment Services and Chairman of Elavon (formerly NOVA Information Systems, Inc.), a wholly owned subsidiary of U.S. Bancorp. U.S. Bancorp Payment Services and Elavon manage and facilitate payment processing. Ms. Joseph has been Vice Chairman of

U.S. Bancorp since December 2004 and serves on its 14-member managing committee. She is a director of Centene Corporation. Ms. Joseph serves on our Audit Committee and our Executive Committee. She has extensive executive experience in the financial services industry, and brings a wealth of technology insight to the Board and Audit Committee.

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Name	Age	Director Since	Position, Principal Occupation, Business Experience, Directorships, and Qualifications
Martin Mucci	51	2010	Mr. Mucci has served as President and Chief Executive Officer of the Company since September 2010. Mr. Mucci joined the Company in 2002 as Senior Vice President, Operations. Prior to joining Paychex, he held senior level positions with Frontier Telephone of Rochester, a telecommunications company, during his 20-year career. Mr. Mucci is a director of Cbeyond, Inc. He is currently Chairman of the St. John Fisher College Board of Trustees, and also serves as the Chairman of the Catholic Family Center Board of Governors. He is Chairman of our Executive Committee. The Board selected Mr. Mucci to serve as a director as he provides day-to-day leadership as the current Chief Executive Officer of Paychex, giving him in-depth knowledge of the Company, its operations, and opportunities.
Joseph M. Tucci	64	2000	Mr. Tucci has been the Chairman of the Board of Directors of EMC Corporation, the world leader in information infrastructure technology and solutions, since January 2006. He has been Chief Executive Officer and President of EMC Corporation since January 2001, and President since January 2000. Mr. Tucci is also Chairman of the Board of Directors of VMware, Inc. He is Chairman of our Governance and Compensation Committee. Mr. Tucci's experience as Chief Executive Officer of EMC Corporation provides him with extensive executive management experience and knowledge of the challenges a company faces due to rapid changes in the marketplace.
Joseph M. Velli	53	2007	Mr. Velli has been Chairman and Chief Executive Officer of BNY ConvergEx Group, LLC, a leading global agency brokerage and technology company offering a comprehensive suite of investment services, since October 2006. Prior to the formation of BNY ConvergEx Group, he was a Senior Executive Vice President of The Bank of New York since September 1998 and assumed the additional role of Chief Executive Officer of BNY Securities Group in October 2002. He is a director of E*Trade Financial Corporation. He serves on our Investment, Governance and Compensation, and Executive Committees. Mr. Velli has extensive knowledge of the capital markets and plays a key role in the Board's discussions of the Company's investments and liquidity.

Our by-laws provide that each director shall be elected by a majority of the votes cast for the director at any meeting for the election of directors at which a quorum is present. If a nominee that is an incumbent director does not receive a required majority of the votes cast, the director shall offer to tender his or her resignation to the Board. The Governance and Compensation Committee of the Board shall consider such offer and will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. The Board will consider the committee's recommendation and will determine whether to accept such offer.

The Board of Directors recommends the election of each of the nominees identified above. Unless otherwise directed, the persons named in the enclosed proxy will vote the proxy FOR the election of each of these nominees.

Table of Contents**DIRECTOR COMPENSATION****FOR THE FISCAL YEAR ENDED MAY 31, 2011**

Director compensation is set by the Governance and Compensation Committee and approved by the Board. The Board's authority cannot be delegated to another party. The Company compensates the independent directors of the Board using a combination of cash and equity-based compensation. The Company's management does not play a role in setting Board compensation. Martin Mucci, President and Chief Executive Officer (CEO) of the Company since September 2010, and Jonathan J. Judge, former President and CEO of the Company, received no compensation for their services as directors. The compensation received by Mr. Mucci and Mr. Judge in their roles as President and CEO are shown in the Fiscal 2011 Summary Compensation Table, contained in the Named Executive Officer Compensation Section of this Proxy Statement.

Cash Compensation

The annual cash compensation paid to the independent directors in effect for the fiscal year ended May 31, 2011 (fiscal 2011) is as follows:

Compensation Element	Amount
Annual cash retainer, applicable to all independent directors	\$ 70,000
Audit Committee member annual retainer	\$ 10,000
Governance and Compensation Committee member annual retainer	\$ 7,500
Investment Committee member annual retainer	\$ 5,000
Executive Committee member annual retainer	\$ 5,000
Audit Committee Chair annual retainer	\$ 20,000
Governance and Compensation Committee Chair annual retainer	\$ 12,500

The cash compensation component is comprised solely of annual retainers, which are paid in quarterly installments. The retainers for the chairs of the Audit Committee and Governance and Compensation Committee were included to provide compensation for those Board members who contribute additional time in preparation for committee meetings. These amounts are in addition to member annual retainer amounts. Effective July 7, 2010, annual retainers were increased to the levels noted above. The most significant change was in the annual retainer, increasing \$25,000 to \$70,000.

Mr. Golisano, who is not an independent director, received an annual retainer of \$200,000 for his services as Chairman of the Board, paid in quarterly installments. This reflects an increase of \$60,000 effective July 7, 2010, in conjunction with the other increases to director cash compensation. The Chairman of the Board does not receive any other cash or equity-based compensation.

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Equity-Based Compensation

Equity-based compensation consists of a blend of stock options and restricted stock. In July 2010, the restricted stock awards granted in July 2007 lapsed. For Messrs. Flaschen, Inman, and Tucci and Ms. Joseph, 1,334 shares lapsed resulting in a value of \$34,244 each. For Mr. Velli, 2,001 shares lapsed resulting in a value of \$51,366. In July 2010, independent directors Messrs. Flaschen, Inman, Tucci, and Velli and Ms. Joseph received an annual award under the Paychex, Inc. 2002 Stock Incentive Plan (the 2002 Plan) as follows:

	Restricted Stock Awards	Option Awards
Grant Date	July 7, 2010	July 7, 2010
Exercise Price	NA	\$26.02
Quantity	1,922	7,686
Vesting Schedule	On the third anniversary of the date of grant.	One-third per annum over three years from the date of grant.
Certain Restrictions	Shares may not be sold during the director s tenure as a member of the Board, except as necessary to satisfy tax obligations.	
Other	Upon the discretion of the Board, unvested shares may be accelerated in whole or in part for certain events including, but not limited to, director retirement. ⁽¹⁾	Unvested options outstanding upon the retirement of a Board member will be canceled.

⁽¹⁾ Retirement eligibility for this purpose begins at age 55 or older with ten years of service as a member of the Board.

EACH
REPORTING
PERSON

SOLE
DISPOSITIVE
9 POWER:

82,566,361**

WITH

SHARED
DISPOSITIVE
10 POWER:

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

11
82,566,361**

CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

12

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

13

52.1%* **

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

14

IN

CUSIP No. 150870 10 3

NAMES OF REPORTING PERSONS:

1 Stephen A. Schwarzman

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

2
(a)
(b)

SEC USE ONLY:

3

SOURCE OF FUNDS (SEE INSTRUCTIONS):

4
OO

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e):

5

CITIZENSHIP OR PLACE OF ORGANIZATION:

6
United States of America

SOLE VOTING POWER:

7

NUMBER OF 82,566,361**

SHARED VOTING POWER:

SHARES
BENEFICIALLY **8**
OWNED BY

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER: 82,566,361**
WITH	10	SHARED DISPOSITIVE POWER:

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

82,566,361**

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

o

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):

52.1%* **

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS):

IN

* The calculation of the foregoing percentage is based on 158,562,161 shares of the Issuer's common stock outstanding as of March 30, 2006, which number was provided to the Reporting Persons by the Issuer.

** Includes 30,777 stock options exercisable for Series A Common Stock.

This Amendment No. 6 amends and supplements the statement on Schedule 13D, originally filed with the Securities and Exchange Commission on March 30, 2005 (as it may be amended from time to time, the Schedule 13D) with respect to the Series A Common Stock, par value \$0.0001 per share (the Series A Common Stock) of Celanese Corporation, a Delaware corporation (the Issuer). Each item below amends and supplements the information disclosed under the corresponding item of the Schedule 13D. Unless otherwise indicated herein, terms used but not defined in this Amendment No. 6 shall have the same respective meanings herein as are ascribed to such terms in the Schedule 13D.

ITEM 4. PURPOSE OF TRANSACTION.

On March 30, 2006, the parties to the Third Shareholders Agreement entered into an amendment to such agreement (the Agreement) pursuant to which, among other things, the parties agreed to remove BACI as a party to such agreement and to terminate the proxy previously granted by BACI to BCP 1 to vote the shares of Series A Common Stock owned by BACI in all matters to be acted upon by stockholders of the Issuer and requirement for notice regarding changes in ownership obligation. Accordingly, BCP 1 no longer has any right to vote the shares of Series A Common Stock owned by BACI. The number of shares of Series A Common Stock held by the Blackstone Entities has not changed since the filing of the most recent amendment to the Schedule 13D or as a result of entering into the Agreement.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) and (b). The information contained on the cover pages and in Item 4 of this Schedule 13D is incorporated herein by reference.

ITEM 6. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO SECURITIES OF THE ISSUER.

The responses to Items 4 and 5 of this Schedule 13D are incorporated herein by reference.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Item 7 of the Schedule 13D is hereby amended and supplemented by the following:

The following exhibit is added to the Schedule 13D:

7. Amendment No. 2 to the Third Amended and Restated Shareholders Agreement dated as of October 31, 2005, by and among Celanese Corporation, Blackstone Capital Partners (Cayman) Ltd. 1, Blackstone Capital Partners (Cayman) Ltd. 2, Blackstone Capital Partners (Cayman) Ltd. 3 and BA Capital Investors Sidecar Fund, L.P., dated March 30, 2006.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: March 30, 2006

BLACKSTONE CAPITAL PARTNERS
(CAYMAN) LTD. 1

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Director

BLACKSTONE CAPITAL PARTNERS
(CAYMAN) LTD. 2

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Director

BLACKSTONE CAPITAL PARTNERS
(CAYMAN) LTD. 3

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Director

BLACKSTONE CAPITAL PARTNERS
(CAYMAN) IV L.P.

By: Blackstone Management Associates
(Cayman) IV L.P., its general partner

By: Blackstone LR Associates
(Cayman) IV Ltd., its general partner

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Authorized Person

BLACKSTONE CAPITAL PARTNERS
(CAYMAN) IV-A L.P.

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Authorized Person

BLACKSTONE FAMILY INVESTMENT
PARTNERSHIP (CAYMAN) IV-A L.P.

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Authorized Person

BLACKSTONE CHEMICAL COINVEST
PARTNERS (CAYMAN) L.P.

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Authorized Person

BLACKSTONE MANAGEMENT ASSOCIATES
(CAYMAN) IV L.P.

By: Blackstone LR Associates
(Cayman) IV Ltd., its general partner

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Authorized Person

BLACKSTONE LR ASSOCIATES
(CAYMAN) IV LTD.

By: /s/ Robert L. Friedman
Name: Robert L. Friedman
Title: Authorized Person

PETER G. PETERSON

By: /s/ Peter G. Peterson

STEPHEN A. SCHWARZMAN

By: /s/ Stephen A. Schwarzman