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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported): February 11, 2014

CBIZ, INC.
(Exact name of registrant as specified in its charter)

Delaware	1-32961	22-2769024
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6050 Oak Tree Boulevard, South, Suite 500 **Cleveland, Ohio**	**44131**
(Address of principal executive offices)	(Zip Code)

216-447-9000
(Registrant’s telephone number, including area code)

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

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

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

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

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

Item 2.02 Results of Operations and Financial Condition.

On February 11, 2014, CBIZ, Inc. (the "Company") issued a press release announcing its financial results for the three and twelve months ended December 31, 2013. A copy of the press release is furnished herewith as Exhibit 99.1. A transcript of CBIZ's earnings conference call held on February 11, 2014 is furnished herewith as Exhibit 99.2. The exhibits contain, and may implicate, forward-looking statements regarding the Company and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

Item 8.01 Other Events.

On February 13, 2014, the Board of CBIZ, Inc. (the "Company") authorized the continuation of the Company's Share Repurchase Program, which has been renewed annually for the past ten years. This authorization renews the 5 million share authorization currently in place which expires on March 31, 2014. The Board of Directors of the Company has authorized the purchase of up to 5 million additional shares of its outstanding common stock to be obtained in open market, privately negotiated, or 10b5-1 trading plan purchases through March 31, 2015.

As of December 31, 2013, CBIZ had approximately 49 million shares of its common stock outstanding. CBIZ's Board of Directors believes that the repurchase plan is a prudent use of the Company's financial resources, and that investing in its own shares is an attractive use of capital and an efficient means to provide value to CBIZ stockholders. CBIZ anticipates that it will obtain all of the funds necessary to purchase shares under the repurchase program, and to pay related fees and expenses, from operating cash flow and by borrowing under its credit facility. This authorization allows such purchases to the extent permitted under the Company's current or any future credit facility, without further amendment.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release of CBIZ, Inc. dated February 11, 2014, announcing its financial results for the three and twelve months ended December 31, 2013.

99.2 Transcript of earnings conference call held on February 11, 2014, discussing CBIZ's financial results for the three and twelve months ended December 31, 2013.

SIGNATURES

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

February 17, 2014	CBIZ, INC.	
	By:	/s/ Ware H. Grove
	Name:	Ware H. Grove
	Title:	Chief Financial Officer

Exhibit 99.1

CBIZ

PRESS release

FOR IMMEDIATE RELEASE

CONTACT: **Ware Grove**
Chief Financial Officer
-or-
Lori Novickis
Director, Corporate Relations
CBIZ, Inc.
Cleveland, Ohio
(216) 447-9000

CBIZ REPORTS 2013 FOURTH-QUARTER AND YEAR-END RESULTS

FOURTH-QUARTER REVENUE UP 10.2%; FULL YEAR UP 10.5%

FOURTH-QUARTER SAME-UNIT REVENUE GROWS 2.5%; FULL YEAR UP 2.4%

FULL-YEAR DILUTED EPS FROM CONTINUING OPERATIONS UP 24.4% VS. 2013 (NORMALIZED)

Cleveland, Ohio (February 11, 2014)—CBIZ, Inc. (NYSE: CBZ) today announced results for the fourth quarter and year ended December 31, 2013.

For the fourth quarter, CBIZ reported revenue of $149.8 million, an increase of $13.8 million, or 10.2%, over the $136.0 million reported for the fourth quarter of 2012. Same-unit revenue increased by $3.4 million, or 2.5% for the fourth quarter of 2013, compared with the same period a year ago. Newly acquired operations contributed $10.4 million to revenue in the 2013 fourth quarter. CBIZ reported a net loss from continuing operations of $3.2 million, or ($0.07) per diluted share in the 2013 fourth quarter, compared with net loss of $1.4 million, or ($0.03) per diluted share reported in the fourth quarter of 2012. Fourth-quarter results reported for 2012 included a non-recurring favorable legal settlement reflected in other income that impacted diluted earnings per share by $0.02.

CBIZ reported total revenue of $692.0 million for the full-year, an increase of $65.5 million, or 10.5%, compared with $626.5 million for the prior year. Same-unit revenue increased by $15.3 million, or 2.4%, compared with the same period a year ago. Newly acquired operations contributed $50.2 million to revenue during 2013. Net income from continuing operations was $0.51 per diluted share for the full-year 2013, compared with a normalized $0.41 per diluted share for the prior year, which excludes the after-tax gain on the sale of the Company's Wealth Management business of $0.03 per diluted share and the impact of favorable legal settlements of $0.02 per diluted share in 2012 from the reported income from continuing operations of $0.46 per diluted share.

The sale of Company's Medical Management Professionals ("MMP") operations occurred on August 30, 2013. CBIZ financial data included in this release and prepared as of and for the year ended December 31, 2013, reflects the gain on sale, net of tax, and the results of MMP operations through the closing date, net of tax, as discontinued operations. Accordingly, assets and liabilities attributed to MMP operations are not included in the CBIZ financial data prepared as of December 31, 2013.

Steven L. Gerard, CBIZ Chairman and CEO stated, “We are extremely pleased to record very strong results for 2013. Organic revenue growth has improved in both our Financial and Employee Services groups. We achieved good performance from our acquired operations, and were able to expand margins. Excluding the $0.05 per diluted share of non-recurring items recorded in 2012, earnings per diluted share from continuing operations increased 24.4% in 2013 on total revenue growth of 10.5%. With the sale of MMP in August of 2013, we were able to dramatically reduce our leverage and now have greater financial flexibility to address strategic acquisition and other opportunities. We made two acquisitions in 2013, completed three acquisitions so far this year, and continue to actively evaluate a pipeline of additional acquisition candidates.”

At December 31, 2013, the outstanding balance on the Company’s $275.0 million unsecured bank line of credit was $48.5 million, compared with a balance of $208.9 million at December 31, 2012. During 2013, the Company used $20.7 million to fund acquisition-related payments, and $25.7 million to repurchase 3.85 million shares of its common stock from Westbury (Bermuda) Ltd. at a price of $6.65 per share.

Non-GAAP earnings per diluted share, which includes certain non-cash charges and credits to income from continuing operations, was $1.08 per diluted share for the year, compared with $0.92 per diluted share a year ago. A schedule reconciling non-GAAP earnings per diluted share with GAAP earnings per diluted share is attached. Adjusted EBITDA for the year ended December 31, 2013 was $75.6 million compared to $65.8 million for 2012.

Outlook for 2014: In 2014, the Company expects continued improvement in same-unit revenue growth rates, total revenue to grow within a range of 5% to 7%, and diluted earnings per share from continuing operations to grow within a range of 15% to 18% over 2013, assuming a constant share count compared with 2013. Cash flow will continue to be positive and Adjusted EBITDA is projected to increase within a range of 8% to 12% over the $75.6 million reported for 2013.

CBIZ will host a conference call at 11:00 a.m. today to discuss its results. The call will be webcast in a listen-only mode over the Internet for the media and the public, and can be accessed at www.cbiz.com. Shareholders and analysts who would like to participate in the call can register at this link: http://dpregister.com/10040525 to receive the dial-in number and unique personal identification number. Participants may register at any time, including up to and after the call start time.

CBIZ, Inc. provides professional business services that help clients better manage their finances and employees. CBIZ provides its clients with financial services including accounting, tax, financial advisory, government health care consulting, risk advisory, real estate consulting, and valuation services. Employee services include employee benefits consulting, property and casualty insurance, retirement plan consulting, payroll, life insurance, HR consulting, and executive recruitment. As one of the nation’s largest brokers of employee benefits and property and casualty insurance, and one of the largest accounting and valuation companies in the United States, the Company’s services are provided through nearly 100 Company offices in 34 states.

Forward-looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, but are not limited to, the Company's ability to adequately manage and sustain its growth; the Company's dependence on the current trend of outsourcing business services; the Company's dependence on the services of its CEO and other key employees; competitive pricing pressures; general business and economic conditions; and changes in governmental regulation and tax laws affecting the Company's insurance business or its business services operations. A more detailed description of such risks and uncertainties may be found in the Company's filings with the Securities and Exchange Commission.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
THREE MONTHS ENDED DECEMBER 31, 2013 AND 2012
(In thousands, except percentages and per share data)

	THREE MONTHS ENDED DECEMBER 31,			
	2013	%	2012 (1)	%
Revenue	$149,836	100.0%	$135,965	100.0%
Operating expenses (2)	147,992	98.8%	133,977	98.5%
Gross margin	1,844	1.2%	1,988	1.5%
Corporate general and administrative expenses (3)	7,821	5.2%	4,615	3.4%
Operating loss	(5,977)	-4.0%	(2,627)	-1.9%
Other income (expense):				
Interest expense	(3,358)	-2.2%	(3,801)	-2.8%
Gain on sale of operations, net	7	0.0%	106	0.1%
Other income, net (4) (5)	3,203	2.1%	3,191	2.3%
Total other expense, net	(148)	-0.1%	(504)	-0.4%
Loss from continuing operations before income tax benefit	(6,125)	-4.1%	(3,131)	-2.3%
Income tax benefit	(2,897)		(1,715)	
Loss from continuing operations	(3,228)	-2.2%	(1,416)	-1.0%
(Loss) income from operations of discontinued businesses, net of tax	(812)		2,604	
Gain on disposal of discontinued businesses, net of tax	93		18	
Net (loss) income	$ (3,947)	-2.6%	$ 1,206	0.9%
Diluted (loss) earnings per share:				
Continuing operations	$ (0.07)		$ (0.03)	
Discontinued operations	(0.01)		0.05	
Net (loss) income	$ (0.08)		$ 0.02	
Diluted weighted average common shares outstanding	46,981		48,967	
Other data from continuing operations:				
Adjusted EBIT (6)	$ (2,774)		$ 564	
Adjusted EBITDA (6)	$ 1,966		$ 4,825	

(1) Certain amounts in the 2012 financial data have been reclassified to conform to the current year presentation and revised to reflect the impact of discontinued operations.

(2) Includes expense of $2,802 and $424 for the three months ended December 31, 2013 and 2012, respectively, in compensation associated with net gains from the Company's deferred compensation plan (see note 4). Excluding this item, "operating expenses" would be $145,190 and $133,553, or 96.9% and 98.2% of revenue, for the three months ended December 31, 2013 and 2012, respectively.

(3) Includes expense of $311 and $62 for the three months ended December 31, 2013 and 2012, respectively, in compensation associated with gains from the Company's deferred compensation plan (see note 4). Excluding this item, "corporate general and administrative expenses" would be $7,510 and $4,553, or 5.0% and 3.3% of revenue, for the three months ended December 31, 2013 and 2012, respectively.

(4) Includes net gains of $3,113 and $486 for the three months ended December 31, 2013 and 2012, respectively, attributable to assets held in the Company's deferred compensation plan. These net gains do not impact "loss from continuing operations before income tax benefit" as they are directly offset by compensation adjustments included in "operating expenses" and "corporate general and administrative expenses."

(5) For the three months ended December 31, 2013 and 2012, amount includes income of $197 and $650, respectively, related to net increases and decreases in the fair value of contingent consideration related to CBIZ's prior acquisitions.

(6) Adjusted EBIT represents loss from continuing operations before income taxes, interest expense, and gain on sale of operations, net. Adjusted EBITDA represents Adjusted EBIT before depreciation and amortization expense of $4,740 and $4,261 for the three months ended December 31, 2013 and 2012, respectively. The Company has included Adjusted EBIT and Adjusted EBITDA data because such data is commonly used as a performance measure by analysts and investors and as a measure of the Company's ability to service debt. Adjusted EBIT and Adjusted EBITDA should not be regarded as an alternative or replacement to any measurement of performance or cash flow under generally accepted accounting principles.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012
(In thousands, except percentages and per share data)

	TWELVE MONTHS ENDED DECEMBER 31,			
	2013	%	2012 (1)	%
Revenue	$692,033	100.0%	$626,538	100.0%
Operating expenses (2)	608,730	88.0%	555,486	88.7%
Gross margin	83,303	12.0%	71,052	11.3%
Corporate general and administrative expenses (3)	34,398	4.9%	30,210	4.8%
Operating income	48,905	7.1%	40,842	6.5%
Other income (expense):				
Interest expense	(15,374)	-2.2%	(14,999)	-2.4%
Gain on sale of operations, net	79	0.0%	2,766	0.5%
Other income, net (4) (5)	7,817	1.1%	8,214	1.3%
Total other expense, net	(7,478)	-1.1%	(4,019)	-0.6%
Income from continuing operations before income tax expense	41,427	6.0%	36,823	5.9%
Income tax expense	16,438		14,071	
Income from continuing operations	24,989	3.6%	22,752	3.6%
Income from operations of discontinued businesses, net of tax	2,538		8,304	
Gain on disposal of discontinued businesses, net of tax	58,336		90	
Net income	$ 85,863	12.4%	$ 31,146	5.0%
Diluted earnings per share:				
Continuing operations	$ 0.51		$ 0.46	
Discontinued operations	1.24		0.17	
Net income	$ 1.75		$ 0.63	
Diluted weighted average common shares outstanding	49,141		49,252	
Other data from continuing operations:				
Adjusted EBIT (6)	$ 56,722		$ 49,056	
Adjusted EBITDA (6)	$ 75,606		$ 65,790	

(1) Certain amounts in the 2012 financial data have been reclassified to conform to the current year presentation and revised to reflect the impact of discontinued operations.

(2) Includes expense of $7,373 and $3,762 for the twelve months ended December 31, 2013 and 2012, respectively, in compensation associated with net gains from the Company’s deferred compensation plan (see note 4). Excluding this item, “operating expenses” would be $601,357 and $551,724, or 86.9% and 88.1% of revenue, for the twelve months ended December 31, 2013 and 2012, respectively.

(3) Includes expenses of $783 and $547 for the twelve months ended December 31, 2013 and 2012, respectively, in compensation associated with gains from the Company’s deferred compensation plan (see note 4). Excluding this item, corporate general and administrative expenses would be $33,615 and $29,663, or 4.9% and 4.7% of revenue, for the twelve months ended December 31, 2013 and 2012, respectively.

(4) Includes net gains of $8,156 and $4,309 for the twelve months ended December 31, 2013 and 2012, respectively, attributable to assets held in the Company’s deferred compensation plan. These net gains do not impact “income from continuing operations before income tax expense” as they are directly offset by compensation adjustments included in “operating expenses” and “corporate general and administrative expenses.”

(5) For the twelve months ended December 31, 2013 and 2012, amount includes an expense of $865 and income of $953, respectively, related to net increases and decreases in the fair value of contingent consideration related to CBIZ’s prior acquisitions.

(6) Adjusted EBIT represents income from continuing operations before income taxes, interest expense, and gain on sale of operations, net. Adjusted EBITDA represents Adjusted EBIT before depreciation and amortization expense of $18,884 and $16,734 for the twelve months ended December 31, 2013 and 2012, respectively. The Company has included Adjusted EBIT and Adjusted EBITDA data because such data is commonly used as a performance measure by analysts and investors and as a measure of the Company’s ability to service debt. Adjusted EBIT and Adjusted EBITDA should not be regarded as an alternative or replacement to any measurement of performance or cash flow under generally accepted accounting principles.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
(In thousands, except per share data)

SELECT SEGMENT DATA

	THREE MONTHS ENDED DECEMBER 31, 2013	THREE MONTHS ENDED DECEMBER 31, 2012 (1)	TWELVE MONTHS ENDED DECEMBER 31, 2013	TWELVE MONTHS ENDED DECEMBER 31, 2012 (1)
Revenue				
Financial Services	$ 91,645	$ 81,749	$ 456,649	$ 410,195
Employee Services	50,182	46,787	204,863	186,217
National Practices	8,009	7,429	30,521	30,126
Total	**$ 149,836**	**$ 135,965**	**$ 692,033**	**$ 626,538**
Gross Margin				
Financial Services	$ (3,729)	$ (3,315)	$ 60,673	$ 52,817
Employee Services	9,031	8,037	36,167	30,906
National Practices	862	941	2,932	3,413
Operating expenses - unallocated (2):				
Other	(1,518)	(3,251)	(9,096)	(12,321)
Deferred compensation	(2,802)	(424)	(7,373)	(3,763)
Total	**$ 1,844**	**$ 1,988**	**$ 83,303**	**$ 71,052**

(1) Certain amounts in the 2012 financial data have been reclassified to conform to the current year presentation and revised to reflect the impact of discontinued operations.

(2) Represents operating expenses not directly allocated to individual businesses, including stock-based compensation, consolidation and integration charges and certain advertising expenses. "Operating expenses - unallocated" also include gains or losses attributable to the assets held in the Company's deferred compensation plan. These gains or losses do not impact "income from continuing operations before income tax expense" as they are directly offset by the same adjustment to "other income, net" in the consolidated statements of comprehensive income. Gains or losses recognized from adjustments to the fair value of the assets held in the deferred compensation plan are recorded as compensation expense in "operating expenses" and as income or expense in "other income, net."

NON-GAAP EARNINGS AND PER SHARE DATA
Reconciliation of Income (Loss) from Continuing Operations to Non-GAAP Earnings from Continuing Operations (3)

	THREE MONTHS ENDED DECEMBER 31, 2013	Per Share	2012 (1)	Per Share
Loss from Continuing Operations	$ (3,228)	$ (0.07)	$ (1,416)	$ (0.03)
Selected non-cash items:				
Amortization	3,495	0.07	3,100	0.06
Depreciation	1,245	0.02	1,161	0.02
Non-cash interest on convertible notes	736	0.02	684	0.02
Stock-based compensation	1,381	0.03	1,512	0.03
Adjustment to contingent earnouts	(197)	—	(650)	(0.01)
Non-cash items	6,660	0.14	5,807	0.12
Non-GAAP earnings - Continuing Operations	$ 3,432	$ 0.07	$ 4,391	$ 0.09

	TWELVE MONTHS ENDED DECEMBER 31, 2013	Per Share	2012 (1)	Per Share
Income from Continuing Operations	$24,989	$ 0.51	$ 22,752	$ 0.46
Adjustment for gain on sale of operations	—	—	(1,547)	(0.03)
Selected non-cash items:				
Amortization	14,056	0.29	11,983	0.24
Depreciation (4)	4,828	0.10	4,751	0.10
Non-cash interest on convertible notes	2,840	0.06	2,638	0.05
Stock-based compensation	5,655	0.11	5,888	0.12
Adjustment to contingent earnouts	865	0.01	(953)	(0.02)
Non-cash items	28,244	0.57	24,307	0.49
Non-GAAP earnings - Continuing Operations	$53,233	$ 1.08	$ 45,512	$ 0.92

(3) The Company believes Non-GAAP earnings and Non-GAAP earnings per diluted share more clearly illustrate the impact of certain non-cash charges and credits to "(loss) income from continuing operations" and are a useful measure for the Company and its analysts. Non-GAAP earnings is defined as (loss) income from continuing operations excluding: depreciation and amortization, non-cash interest expense, non-cash stock-based compensation expense, and adjustments to the fair value of contingent consideration related to prior acquisitions. Non-GAAP earnings per diluted share is calculated by dividing Non-GAAP earnings by the number of weighted average diluted common shares outstanding for the period indicated. Non-GAAP earnings and Non-GAAP earnings per diluted share should not be regarded as a replacement or alternative to any measurement of performance under generally accepted accounting principles.

(4) Capital spending was $6.2 million and $2.6 million for the twelve months ended December 31, 2013 and 2012, respectively.

CBIZ, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
(In thousands, except percentages and ratios)

SELECT BALANCE SHEET DATA AND RATIOS

	DECEMBER 31, 2013	DECEMBER 31, 2012 (1)
Cash and cash equivalents	$ 771	$ 899
Restricted cash	$ 22,112	$ 19,627
Accounts receivable, net	$ 143,107	$ 134,979
Assets of discontinued operations	$ 1,092	$ 105,126
Current assets before funds held for clients	$ 186,086	$ 279,427
Funds held for clients - current and non-current	$ 164,389	$ 154,447
Goodwill and other intangible assets, net	$ 469,083	$ 469,571
Total assets	$ 897,458	$ 970,191
Notes payable - current	$ 1,602	$ 5,464
Liabilities of discontinued operations	$ 370	$ 14,181
Current liabilities before client fund obligations	$ 103,103	$ 118,980
Client fund obligations	$ 164,311	$ 154,119
Notes payable - long-term	$ —	$ 1,222
Convertible notes - non-current	$ 125,256	$ 122,416
Bank debt	$ 48,500	$ 208,900
Total liabilities	$ 523,012	$ 674,959
Treasury stock	$ (397,548)	$ (371,080)
Total stockholders' equity	$ 374,446	$ 295,232
Debt to equity (2)	46.8%	114.5%
Days sales outstanding (DSO) - continuing operations (3)	74	76
Shares outstanding	48,964	50,365
Basic weighted average common shares outstanding	48,632	49,002
Diluted weighted average common shares outstanding	49,141	49,252

(1) Certain amounts in the 2012 financial data have been reclassified to conform to the current year presentation and revised to reflect the impact of adjustments to purchase price accounting related to 2012 acquisitions and of discontinued operations.
(2) Ratio is convertible notes, bank debt and notes payable divided by total stockholders' equity.
(3) DSO is provided for continuing operations and represents accounts receivable, net and unbilled revenue (net of realization adjustments) at the end of the period, divided by trailing twelve month daily revenue. The Company has included DSO data because such data is commonly used as a performance measure by analysts and investors and as a measure of the Company's ability to collect on receivables in a timely manner. DSO should not be regarded as an alternative or replacement to any measurement of performance under generally accepted accounting principles.

Exhibit 99.2

CORPORATE PARTICIPANTS
Steven Gerard *CBIZ, INC. - CEO*
Ware Grove *CBIZ, Inc. - SVP and CFO*

CONFERENCE CALL PARTICIPANTS
Josh Vogel *Sidoti & Co. - Analyst*
Jim Macdonald *First Analysis - Analyst*

PRESENTATION

Operator

Good morning and welcome to the CBIZ Fourth Quarter and Full Year 2013 Results Conference Call. All participants will be in listen-only mode.

(Operator Instructions)

Please note this event is being recorded. I would now like to turn the conference over to Steven Gerard, Chairman and CEO. Please go ahead.

Steven Gerard - ***CBIZ, INC. - CEO***

Thank you, Gary, and good morning everyone and thank you for calling into our fourth quarter and full year conference call. Before I begin my comments, I'd like to remind you of a few things. As with all our conference calls, this call is intended to answer the questions of our shareholders and analysts. If there are media representatives on the call, you're welcome to listen in. However, I ask that if you have questions, you hold them until after the call and we'll be happy to address them at that time.

The call is also being webcast and you can listen to it over our website. You should have all received a copy of the release which was issued this morning. If you have not, this too can be accessed on our Website. Finally please remember that during the course of the call we may make forward-looking statements. These statements represent management's intentions, hopes, beliefs, expectations, and predictions of the future. Actual results can and sometimes do differ materially from those projected in forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained in our SEC filings or Form 10-K in our press releases. Joining me on the call this morning is Jerry Grisko, our President and Chief Operating Officer; and Ware Grove, our Chief Financial Officer.

Prior to the opening this morning, we were very pleased to release our fourth quarter and full year results. These results came squarely within the guidance that we gave a year ago. It reflected continued improvement as we had indicated and what we thought we were going to see, and most important for us at CBIZ was the continuation of our organic revenue growth, which was about twice what it had been in the prior year.

I'd like to turn it over to Ware to give you the details and then I'll come back and give you some color on our acquisition program as well as what we think we're going to see in the market in 2014.

Ware Grove - ***CBIZ, Inc. - SVP and CFO***

Thank you, Steve and good morning everyone. I want to take a few minutes to review the highlights of the numbers we released this morning for the quarter and the year ended December 31, 2013. Now as a reminder, with the sale of MMP that closed in August of 2013, the results from this operation and the gain on its sale net of tax were reflected as discontinued operations.

Thanks to the efforts of our many CBIZ associates who are working hard to serve clients. CBIZ is very sound financially and we continue to generate strong cash flow and strong growth in earnings.

For the year ended December 31, 2013, we recorded a 10.5% growth in total revenue with an improvement in margin and growth in earnings per share of 24.4% compared with 2012 when you exclude the $0.05 per share impact from the several non-recurring items that we mentioned in the earnings release this morning.

Looking more closely at the fourth quarter, total revenue grew by $13.9 million or 10.2% compared with the fourth quarter a year ago. Same unit revenue grew by $3.4 million or 2.5% in the fourth quarter, compared with a year ago, with same unit revenue for the Financial Services business growing by 2.3% and same unit revenue for the Employee Services business growing by 2.1% in the fourth quarter of this year compared with year ago. Acquisitions contributed $10.4 million to revenue growth in the fourth quarter, compared to a year ago.

Now for the full year ended December 31, 2013, total revenue grew by $65.5 million, or by 10.5% compared with prior year. Same unit revenue grew by $15.3 million, or by 2.4%, which was in line with the expectations we had for the full year. Acquisitions contributed $50.2 million to revenue growth in 2013 and they performed in line with our expectations.

Eliminating the $2.5 million non-recurring gain on sale, and the $1.9 million non-recurring favorable legal settlement that occurred in the fourth quarter of 2012, pre-tax income margins in 2013 improved by 80 basis points over the adjusted 2012 results. Earnings per share increased to $0.51 in 2013, an improvement of 24.4% over the $0.41 adjusted earnings per share for 2012.

Cash earnings per share improved to $1.08 per share, a 17.4% improvement, over $0.92 per share for the prior year, and adjusted EBITDA for 2013 was $75.6 million, an increase of 15% over the prior year.

Now, same unit revenue for Financial Services grew by 3.3% for the full year, compared with the prior year, led by growth in our national healthcare consulting business and also bolstered by modest growth in our core accounting units.

The acquisitions we made in 2012 have performed in line with our expectations and the contribution margin for this group has improved by 40 basis points in 2013, compared to the prior year. In our core accounting units, the volume of hours was up about two-tenths of a percent and the effective yield per hour was up about 1.3%.

The investments we made in building a business development team in select markets and building a team focused on national, state and local tax consulting services will enhance our future revenue growth opportunities, but in 2013 resulted in an increase in costs of $1.1 million for the year or 25 basis points of margin for this group compared to the prior year.

Turning to Employee Services, same unit revenue increased by 2.1% in the fourth quarter and it was up seven-tenths of a percent for the full year compared with the prior year. We recorded good organic growth in our property and casualty insurance, retirement advisory, HR consulting and payroll service areas, and we are seeing improving trends in our employee benefits business.

As a result of our consultative approach helping companies with Healthcare Reform related issues, we have gained new business in 2013 that we expect will reflect stronger growth in the benefits area for 2014.

Within the Employee Services group, the life insurance services, which are transactional and therefore somewhat unpredictable, was modestly up in the fourth quarter, but recorded a $2.5 million decline in same unit revenue for the full year of 2013. When you eliminate the impact of the life insurance revenue decline, same unit revenue for the remaining Employee Services group was up 2.2% in the fourth quarter and was up 2.1% for the full year of 2013 compared with the prior year.

Total revenue was up 10.0% in Employee Services for the full year, compared with prior year, and we are pleased to successfully leverage this revenue growth by increasing contribution margin by 110 basis points this year, compared with the prior year.

Now looking at operating income; when you eliminate the impact of accounting for gains and losses on the assets held in deferred compensation plan, operating margin increased by 100 basis points in 2013, compared with the prior year.

The effective tax rate on income from continuing operations for the full year ended December 31, 2013, was 39.7%, and that compares with a rate of 38.2% for the prior year. This impacted reported earnings per share in 2013 by approximately a penny per share compared had we maintained a constant year-over-year effective tax rate.

As we look ahead to 2014, we expect the effective tax rate in 2014 will be approximately 40%. The fully diluted share count for 2013 was 49.1 million shares. We’re very close to the share count a year ago, which was 49.3 million shares. As a reminder, we bought 3.85 million shares from Westbury Limited, concurrent with the sale of MMP at the end of August. The option exercises, which occurred in the fourth quarter, served to offset the impact of the share purchases so that the share count for the full year was essentially constant compared with the prior year. Now as many of you are aware, a higher share price can result in an increase in the reported fully diluted share count and the recent increase in CBIZ share price may impact the share count as we go into 2014.

It continues to be our intention to conduct share repurchase activities in order to maintain a constant share count, and with our strong cash flow and strong balance sheet we have great flexibility. However, share repurchase activity is always opportunistic and we continually assess alternate uses of capital as we evaluate the current share price and evaluate alternate uses of capital such as the pipeline of acquisition opportunities.

To date this year in 2014, we have repurchased 455,000 shares under our 10b5-1 program that has been in place since mid-December. We continue to maintain a sharp focus on asset management and cash flow. We are pleased to report that day sales outstanding on receivables stood at 74 days at the end of the year 2013 compared with 76 days a year ago.

The bad debt expense was 64 basis points of revenue for 2013 compared to 84 basis points for the full year of 2012. Capital spending for the full year in 2013 was $6.2 million and in the fourth quarter capital spending was $1.9 million, both in line with our expectations.

At the end of the year the outstanding balance on our $275 million unsecured bank credit facility was $48.5 million, and this compares with $208.9 million balance at the beginning of the year, a reduction of $160.4 million. During the full year 2013, we used $21.6 million for acquisition and earn-out related payments. With the sale of MMP, net of tax payments and net of the proceeds that were used for the share purchase transaction with Westbury Limited, we applied about a $125 million of the sales proceeds to reduce debt. So, the majority of the remaining reduction in debt was essentially the result of generating good positive operating cash flow from operating activities for the full year of 2013.

Looking ahead, earn out payments for acquisitions already completed were forecasted at $10.4 million in 2014, $14.3 million in 2015 with an additional $4.5 million in 2016 and beyond. So, we stand today with a very strong balance sheet and strong cash flows from operating activities. Total debt stands at about 2.5 times EBITDA at the end of 2013. This gives us great flexibility to address future acquisition opportunities and investments, in order to enhance growth of our financial and Employee Services businesses.

We have made three acquisitions in the past 60 days, and we continue to evaluate an active pipeline of potential acquisitions. We remain disciplined, however, in our approach towards acquisitions. So, predicting future acquisition activity is always uncertain. Our financial strength also gives us great flexibility as we consider financing alternatives and as we begin to think about the upcoming debt maturities in 2015. We are considering a number of alternatives that are available to CBIZ and we will continue to evaluate the capital markets as we proceed through 2014.

So in conclusion, we're very pleased to report strong revenue growth, cash flow and growth in earnings per share for the full year ended December of 2013.

Looking ahead to 2014, we expect economic conditions will continue to modestly improve and we expect to achieve a modest improvement over the 2.4% same unit revenue growth that we recorded in 2013. Also, considering the impact of the several recent acquisitions we announced, we expect that total revenue will grow within a range of 5% to 7% in 2014, compared with 2013. Also assuming a constant share count in 2014 compared to this year or 2013, we expect to leverage this revenue growth and expect to grow earnings per share within a range of 15 to 18%, compared with the $0.51 per share reported for 2013. Cash flow will continue to be strong and EBITDA is expected to increase within a range of 8% to 12% in 2014, compared with the level achieved in 2013. So with these comments, I'll conclude and I'll turn it back over to Steve.

Steven Gerard - ***CBIZ, INC.*** - ***CEO***

Thank you, Ware. Let me comment on the environment that we think we're going to see in 2014. As Ware indicated, we are seeing modest improvement in our clients. We expect them to continue to slowly and carefully expand their business operations. We expect that the opportunities coming out of the Affordable Care Act will continue to provide us with new clients and more and better work for our existing clients.

On the acquisition front, we expect that the pipeline is strong, and we expect this year to at least complete the three to five transactions and possibly more that we normally do. Last year was a little bit of a slower year on the acquisition front, but keep in mind that in 2012, we completed 10 acquisitions and our primary objective was to make sure that we had integrated those properly.

So, on all fronts it looks to us like we're going to see a continuation of organic revenue growth aided by a reasonable amount of acquisition growth in 2014, and as Ware said, our ability to leverage that into a very strong EPS growth as well. With that, I'd like to stop and take questions from our shareholders and analysts.

QUESTION AND ANSWER

Operator

We will now begin the question- and-answer session. (Operator Instructions). The first question comes from Josh Vogel with Sidoti & Company. Please go ahead.

Josh Vogel - ***Sidoti & Co.*** - ***Analyst***

Thank you. Good Morning Steve and Ware.

Steven Gerard - ***CBIZ, INC.*** - ***CEO***

Hi, Josh.

Ware Grove - ***CBIZ, Inc.*** - ***SVP and CFO***

Hi, Josh.

Josh Vogel - ***Sidoti & Co.*** - ***Analyst***

My first question is regarding the acquisition pipeline. Are you — I know the transactions slowed last year but that should pick up this year. Are you seeing more opportunity to build out the Financial Services or Employee Services divisions in 2014?

Steven Gerard - ***CBIZ, INC.*** - ***CEO***

I think we're seeing a rather constant opportunity to build them out. Financial Services transactions tend to be a lot larger and perhaps take a little bit longer. There are far more smaller employee service acquisitions. We're not seeing a dramatic change in pricing. We're seeing a little bit of change in structure on the insurance side, but not necessarily on pricing.

So, I would call 2014 to be a normal acquisition year. I think 2013 was down a little bit, not because there was perhaps a lack of opportunities, but we just didn't find transactions that either worked for us or work for the seller, but we probably looked at the same number year-over-year.

Josh Vogel - ***Sidoti & Co.*** - ***Analyst***

Okay. Are there any specialties within either segment that you specifically want to beef up in 2014?

Steven Gerard - ***CBIZ, INC.*** - ***CEO***

Yes. On the Financial Services side, we want to continue our geographic expansion, both in areas that we don't have any offices in, and in fact in some areas where we have smaller offices that need to be larger opposite the size of the city that they're in.

On the Employee Services side, I'd say that the primary focus is on the property and casualty business. Although we continue to assess employee benefit businesses as well as retirement plan businesses.

Josh Vogel - ***Sidoti & Co.*** - ***Analyst***

Okay. Shifting gears a little bit, as we look at the quarterly revenue and margin trends throughout this year, is there anything we should be looking for, primarily in Q1 in terms of the tax filing season and potential choppiness to the results like we saw last year?

Steven Gerard - ***CBIZ, INC.*** - ***CEO***

No. We're not aware of anything now that should make this an unusual quarter. The required documents were, and continue to be issued on time, which was the problem last year. We're not aware of anything that would cause any unusual choppiness in either the tax filing or our piece of the attest revenue that comes through from MHM.

Josh Vogel - ***Sidoti & Co.*** - ***Analyst***

Okay. And just lastly, should I not read too much into the sequential decline in the same unit sales growth from Q2 and Q3 to Q4? Was that just seasonal softness?

Steven Gerard - ***CBIZ, INC. - CEO***

Yes, I would not read anything into that. Some of these things are lumpy. That's why we try to focus on a full year. There was nothing specific in the quarter that would have caused that.

Josh Vogel - ***Sidoti & Co. - Analyst***

Okay, great. Thanks a lot guys.

Steven Gerard - ***CBIZ, INC. - CEO***

Okay.

Operator

(Operator Instructions). The next question comes from Jim Macdonald with First Analysis. Please go ahead.

Jim Macdonald - ***First Analysis - Analyst***

Yes, good morning, guys.

Steven Gerard - ***CBIZ, INC. - CEO***

Hi, Jim.

Ware Grove - ***CBIZ, Inc. - SVP and CFO***

Hi, Jim.

Jim Macdonald - ***First Analysis - Analyst***

Could you talk a little bit about how the Affordable Care Act has impacted you so far, and what you expect to see going into 2014?

Steven Gerard - ***CBIZ, INC. - CEO***

The Affordable Care Act has given us an opportunity to position ourselves with our existing clients in a better way that we haven't had before as a consultative broker, and it's given us an opportunity to generate significant new revenue from new clients. We estimate that last year we picked up about $2.6 million to $2.7 million of incremental revenue just as a result of our analytical tool and our sales outreach to perspective clients. So, it continues to be a source of great opportunity.

Now, yesterday the government announced a change in the employer mandate, which moved the employer mandate to out until 2016, basically kicked in another year. That's going to give existing clients and potential clients who have between 50 and 100 employees another year to comply. It really doesn't impact dramatically the companies that have over 100 employees.

So, for us it's actually a positive because we can focus our resources on those clients which are above 100 lives. Those that are under have just bought themselves a little bit more time. But far more interesting is some of the other things they announced yesterday, which has to do with the requirement for example, that 90% of the employees have be covered, they rolled that back.

From a trajectory standpoint, it appears to us that the government is looking to find this to be more palatable for larger clients. So, I think what we're going to see is a continued refinement of the rules for those companies over 100 lives, which means our clients and our perspective clients are still going to need somebody to help decode all of this.

So, we're kind of viewing the Affordable Care Act as the gift that keeps on giving. We think that there will be more opportunity to position ourselves with our current and potential clients and at the same time continue to work with the smaller ones who now have just gotten a reprieve.

Jim Macdonald - ***First Analysis - Analyst***

And are you seeing a trend towards or away from brokered health plans towards more self and insured? So, for away from HMO PPO type plans to more self-insured plans? And if so, how does that impact you guys?

Steven Gerard - ***CBIZ, INC. - CEO***

We're not seeing dramatic trends as a result of this in terms of our type of insurance or our placement. We're not seeing dramatic movement to exchanges, and that probably now is going to even slow up even more, and to the extent that clients should be looking at a self-insured plan, that is our job.

We should be working with them and it doesn't dramatically impact our revenue, but we have not yet seen a dramatic movement of smaller companies. By smaller I mean employee count of a 100 to 500 or 100 to 1,000, moving to self-insured plans.

But that's clearly become an option that they're taking a harder look at now. And that fits very well with what we do, because not only do we have the tools to analyze it for them, but we have the ability to give them wellness programs and pharmacy programs and other things which could actually make that shift work better for them. So, why we haven't seen it, we've got our eyes open and we're constantly assessing whether that's the right recommendation for the client.

Jim Macdonald - ***First Analysis - Analyst***

Okay. And just a technical question maybe for Ware. You sort of said your guidance was dependent on share count remaining the same, but EPS guidance — with the stock price above the strike price of the convert, what are you looking at for the share count in the first quarter for example, and I guess that depends a little bit on your repo activity?

Ware Grove - ***CBIZ, Inc. - SVP and CFO***

It really does. It depends on a lot of different things. Just looking at the average share price in the fourth quarter, and there was a nice run up as you well know, the share count could go up 1 million to 2 million shares in the first quarter compared to the end of the year. But again we've repurchased 455,000 shares to date. So, it kind of depends on how we manage that activity, and those are the variables.

Steven Gerard - ***CBIZ, INC. - CEO***

And then Jim, it also obviously depends on the average price during the quarter. So it's very hard at this point to kind of calculate that.

Jim Macdonald - ***First Analysis*** - ***Analyst***

Yes, you compared it to the end of the year but your fourth quarter was a loss quarter. So, it was a basic share count quarter. So, could we be talking about a share count like above 50 million shares in the first quarter?

Ware Grove - ***CBIZ, Inc.*** - ***SVP and CFO***

Yes, when I said increased I was referring to the full year share count, not just the fourth quarter.

Jim Macdonald - ***First Analysis*** - ***Analyst***

Okay. And maybe you could remind me, just another technical question, what the interest rate on your debt is like at these low levels of debt?

Ware Grove - ***CBIZ, Inc.*** - ***SVP and CFO***

Yes, we're at about 175 basis points spread over LIBOR. So, we're a shade under 3% all in, on our incremental borrowing.

Jim Macdonald - ***First Analysis*** - ***Analyst***

Right. Thanks very much.

Operator

As there are no further questions, this concludes our question-and-answer session. I would like to turn the conference back over to Steven Gerard for any closing remarks.

Steven Gerard - ***CBIZ, INC.*** - ***CEO***

Okay. Well, thank you Gary. I'd like to thank our shareholders for their continued support and their continued interest in our company and especially thank all of our associates who are listening in. 2013 was a very strong year for us, one of the best years we've actually ever had. And what's more important is that the trajectory looks like it's going to continue to be very, very positive. That all comes as a direct result of our nearly 4,000 associates, who — as Ware pointed out, work hard every day to service their clients, and at the same time generate revenue and earnings for our shareholders.

So to them a special thanks for a great, great year. And I look forward to bring everybody up to-date after the first quarter release. Thank you.

Operator

The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.