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Other current assets
Intangibles

13,533

25,926

Assets held for sale
Other non-current assets

436

893

Assets held for sale
Accrued liabilities

(366
)

(1,058
)

Accrued liabilities
Non-current deferred income tax liabilities

(5,777
)

(8,774
)

Other non-current liabilities
Net assets held for sale

$
7,829

$

17,674

58

During 2014, we sold our Colorado Springs, Colorado facility and entered into an operating lease on a portion of the facility. We received cash proceeds of $8,451 from the sale and recognized the full amount of the net pre-tax loss on the sale of $735.

Intangibles – Intangibles were comprised of the following at December 31:

(in thousands)	2015 Gross carrying amount	Accumulated amortization	Net carrying amount	2014 Gross carrying amount	Accumulated amortization	Net carrying amount
Indefinite-lived:						
Trade name	$19,100	$—	$19,100	$19,100	$—	$19,100
Amortizable intangibles:						
Internal-use software	375,037	(310,665)	64,372	364,229	(303,340)	60,889
Customer lists/relationships	202,682	(54,990)	147,692	106,218	(40,097)	66,121
Trade names	64,881	(36,325)	28,556	69,281	(37,623)	31,658
Software to be sold	28,500	(3,765)	24,735	28,500	(601)	27,899
Other	2,858	(2,002)	856	8,160	(6,647)	1,513
Amortizable intangibles	673,958	(407,747)	266,211	576,388	(388,308)	188,080
Intangibles	$693,058	$(407,747)	$285,311	$595,488	$(388,308)	$207,180

Amortization expense related to intangibles was as follows for the years ended December 31:

(in thousands)	2015	2014	2013
Internal-use software	$31,752	$34,282	$32,555
Software to be sold	3,164	601	—
Other amortizable intangibles	25,784	14,192	14,096
Amortization of intangibles	$60,700	$49,075	$46,651

Based on the intangibles in service as of December 31, 2015, estimated amortization expense for each of the next five years ending December 31 is as follows:

(in thousands)	Estimated amortization expense
2016	$63,610
2017	49,487
2018	35,610
2019	27,698
2020	23,046

In the normal course of business, we acquire internal-use software. In conjunction with acquisitions, we also acquire internal-use software and other amortizable intangible assets. The following intangible assets were acquired during the years ended December 31:

	2015		2014		2013	
(in thousands)	Amount	Weighted-average amortization period (in years)	Amount	Weighted-average amortization period (in years)	Amount	Weighted-average amortization period (in years)
Internal-use software	$35,945	4	$33,867	4	$34,455	3
Customer lists/relationships	101,867	8	45,869	9	16,610	8
Software to be sold	—	—	28,500	9	—	—
Trade names	1,400	2	2,000	3	200	2
Other	—	—	50	2	3,310	4
Acquired intangibles	$139,212	7	$110,286	7	$54,575	5

The table above does not include intangible assets acquired in 2014 and 2013 via the acquisition of small business distributors that were classified as held for sale upon purchase. Further information regarding acquisitions can be found in Note 5.

Goodwill – Changes in goodwill by reportable segment and in total were as follows:

(in thousands)	Small Business Services	Financial Services	Direct Checks	Total
Balance, December 31, 2013:				
Goodwill, gross	$652,554	$41,717	$148,506	$842,777
Accumulated impairment charges	(20,000)	—	—	(20,000)
Goodwill, net of accumulated impairment charges	632,554	41,717	148,506	822,777
Adjustment for acquisition of Destination Rewards, Inc.	—	(1,375)	—	(1,375)
Acquisition of Wausau Financial Systems, Inc.	—	45,521	—	45,521
Acquisition of NetClime, Inc.	1,615	—	—	1,615
Currency translation adjustment	(162)	—	—	(162)
Balance, December 31, 2014:				
Goodwill, gross	654,007	85,863	148,506	888,376
Accumulated impairment charges	(20,000)	—	—	(20,000)
Goodwill, net of accumulated impairment charges	634,007	85,863	148,506	868,376
Adjustment for acquisition of Wausau Financial Systems, Inc.	—	(714)	—	(714)
Acquisition of Verify Valid	5,650	—	—	5,650
Acquisition of small business distributor	9,285	—	—	9,285
Acquisition of Tech Assets	2,628	—	—	2,628
Acquisition of Datamyx LLC	—	91,465	—	91,465
Currency translation adjustment	(275)	—	—	(275)
Balance, December 31, 2015:				
Goodwill, gross	671,295	176,614	148,506	996,415
Accumulated impairment charges	(20,000)	—	—	(20,000)
Goodwill, net of accumulated impairment charges	$651,295	$176,614	$148,506	$976,415

Information regarding the businesses acquired can be found in Note 5.

Other non-current assets – Other non-current assets were comprised of the following at December 31:

(in thousands)	2015	2014
Contract acquisition costs	$58,792	$74,101
Loans and notes receivable from distributors	23,957	14,583
Postretirement benefit plan asset (Note 12)	16,250	24,243
Deferred advertising costs	7,500	8,922
Other	7,559	9,792
Other non-current assets	$114,058	$131,641

Changes in contract acquisition costs were as follows for the years ended December 31:

(in thousands)	2015	2014	2013
Balance, beginning of year	$74,101	$35,421	$43,036
Additions[1]	6,999	57,225	10,072
Amortization	(18,741)	(18,105)	(17,197)
Other	(3,567)	(440)	(490)
Balance, end of year	$58,792	$74,101	$35,421

[1] Contract acquisition costs are accrued upon contract execution. Cash payments made for contract acquisition costs were $12,806 for 2015, $16,567 for 2014 and $12,133 for 2013.

Accrued liabilities – Accrued liabilities were comprised of the following at December 31:

(in thousands)	2015	2014
Funds held for customers	$52,366	$42,944
Deferred revenue	48,119	48,514
Performance-based compensation	40,683	38,259
Customer rebates	18,900	20,550
Contract acquisition costs due within one year	9,045	9,815
Restructuring due within one year (Note 8)	3,864	4,276
Other	55,446	54,763
Accrued liabilities	$228,423	$219,121

Supplemental cash flow information – Cash payments for income taxes and interest were as follows for the years ended December 31:

(in thousands)	2015	2014	2013
Income taxes paid	$110,999	$100,639	$90,322
Interest paid	24,286	39,946	38,676

Note 3: Earnings per share

The following table reflects the calculation of basic and diluted earnings per share. During each period, certain stock options, as noted below, were excluded from the calculation of diluted earnings per share because their effect would have been antidilutive.

(dollars, shares and options in thousands, except per share amounts)	2015	2014	2013
Earnings per share – basic:			
Net income	$218,629	$199,794	$186,652
Income allocated to participating securities	(1,460)	(1,075)	(846)
Income available to common shareholders	$217,169	$198,719	$185,806
Weighted-average shares outstanding	49,445	49,827	50,550
Earnings per share – basic	$4.39	$3.99	$3.68
Earnings per share – diluted:			
Net income	$218,629	$199,794	$186,652
Income allocated to participating securities	(1,453)	(1,068)	(840)
Re-measurement of share-based awards classified as liabilities	(89)	183	314
Income available to common shareholders	$217,087	$198,909	$186,126
Weighted-average shares outstanding	49,445	49,827	50,550
Dilutive impact of potential common shares	380	435	460
Weighted-average shares and potential common shares outstanding	49,825	50,262	51,010
Earnings per share – diluted	$4.36	$3.96	$3.65
Antidilutive options excluded from calculation	354	7	12

Note 4: Other comprehensive income

Reclassification adjustments – Information regarding amounts reclassified from accumulated other comprehensive loss to net income was as follows:

Accumulated other comprehensive loss component	Amounts reclassified from accumulated other comprehensive loss			Affected line item in consolidated statements of income
(in thousands)	2015	2014	2013	
Amortization of loss on interest rate locks[1]	$—	$(1,282)	$(1,711)	Interest expense
Tax benefit	—	501	671	Income tax provision
Amortization of loss on interest rate locks, net of tax	—	(781)	(1,040)	Net income
Amortization of postretirement benefit plan items:				
Prior service credit	1,421	1,421	1,421	[2]
Net actuarial loss	(3,120)	(3,418)	(4,439)	[2]
Total amortization	(1,699)	(1,997)	(3,018)	[2]
Tax benefit	450	661	954	[2]
Amortization of postretirement benefit plan items, net of tax	(1,249)	(1,336)	(2,064)	[2]
Total reclassifications, net of tax	$(1,249)	$(2,117)	$(3,104)	

(1) Relates to interest rate locks executed in 2004. Further information regarding these financial instruments can be found in Note 6.
(2) Amortization of postretirement benefit plan items is included in the computation of net periodic benefit income. Additional details can be found in Note 12.

Accumulated other comprehensive loss – The components of accumulated other comprehensive loss at December 31 were as follows:

(in thousands)	Postretirement benefit plans, net of tax	Loss on derivatives, net of tax[1]	Net unrealized (loss) gain on marketable securities, net of tax	Currency translation adjustment	Accumulated other comprehensive loss
Balance, December 31, 2012	$(45,303)	$(1,821)	$(92)	$6,569	$(40,647)
Other comprehensive income (loss) before reclassifications	8,365	—	(184)	(4,062)	4,119
Amounts reclassified from accumulated other comprehensive loss	2,064	1,040	—	—	3,104
Net current-period other comprehensive income (loss)	10,429	1,040	(184)	(4,062)	7,223
Balance, December 31, 2013	(34,874)	(781)	(276)	2,507	(33,424)
Other comprehensive income (loss) before reclassifications	1,133	—	151	(6,315)	(5,031)
Amounts reclassified from accumulated other comprehensive loss	1,336	781	—	—	2,117
Net current-period other comprehensive income (loss)	2,469	781	151	(6,315)	(2,914)
Balance, December 31, 2014	(32,405)	—	(125)	(3,808)	(36,338)
Other comprehensive (loss) income before reclassifications	(7,666)	—	11	(12,459)	(20,114)
Amounts reclassified from accumulated other comprehensive loss	1,249	—	—	—	1,249
Net current-period other comprehensive (loss) income	(6,417)	—	11	(12,459)	(18,865)
Balance, December 31, 2015	$(38,822)	$—	$(114)	$(16,267)	$(55,203)

[1] Relates to interest rate locks executed in 2004. Further information regarding these financial instruments can be found in Note 6.

Note 5: Acquisitions

We periodically complete business combinations that align with our business strategy. The assets and liabilities acquired are recorded at their estimated fair values and the results of operations of each acquired business are included in our consolidated statements of income from their acquisition dates. Transaction costs related to acquisitions are expensed as incurred and were not significant to our consolidated statements of income.

2015 acquisitions – During 2015, we completed the following acquisitions:

- In January 2015, we acquired selected assets of Range, Inc., a marketing services provider. The results of this business are included in our Small Business Services segment.
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In February 2015, we acquired selected assets of Verify Valid LLC, a provider of electronic check payment services. The results of this business are included in our Small Business Services segment. The allocation of the purchase price based upon the estimated fair values of the assets acquired and liabilities assumed resulted in tax-deductible goodwill of $5,650. This acquisition resulted in goodwill as the acquired technology enables us to diversify our payment product and service offerings and bring these offerings to our customer base.

In August 2015, we acquired selected assets of Tech Assets, Inc., a provider of shared hosting websites to small businesses using cPanel web hosting technology. The results of this business are included in our Small Business Services segment. The allocation of the purchase price based upon the estimated fair values of the assets acquired and liabilities assumed resulted in tax-deductible goodwill of $2,628. This acquisition resulted in goodwill as we expect to accelerate revenue growth by combining our capabilities with Tech Asset's tools and hosting technology.

- In September 2015, we acquired selected assets of FMC Resource Management Corporation, a marketing services provider. The results of this business are included in our Small Business Services segment.
- In October 2015, we acquired 100% of Datamyx LLC, a provider of risk-based, data-driven marketing solutions. The results of this business are included in our Financial Services segment. We expect to finalize the allocation of the purchase price by mid-2016 when our valuation of certain acquired liabilities is finalized. The allocation of the purchase price based upon the estimated fair values of the assets acquired and liabilities assumed resulted in tax-deductible goodwill of $91,465. This acquisition resulted in goodwill as it will enhance our Financial Services product set by providing valuable marketing tools and other analytical services our customers use to help them market their businesses. The assets acquired and liabilities assumed consisted primarily of a $61,000 customer list intangible asset.
- In December 2015, we acquired substantially all of the assets of FISC Solutions, a provider of back-office treasury management and outsourcing services. The results of this business are included in our Financial Services segment. We expect to finalize the allocation of the purchase price to the assets acquired and liabilities assumed by mid-2016 when our valuation of all of the acquired assets and liabilities is finalized.
- During 2015, we acquired the operations of eight small business distributors. The results of six of these businesses are included within our Small Business Services segment. The results of the two remaining distributors are included in our Financial Services segment, as their customers consist primarily of financial institutions. The allocation of the purchase price based upon the estimated fair values of the assets acquired and liabilities assumed resulted in tax-deductible goodwill of $9,285 related to one of the Small Business Services distributors. This acquisition resulted in goodwill as we expect to accelerate revenue growth in business and marketing communications solutions by adding an established customer base that gives us a larger presence in the western United States.

2014 acquisitions – During 2014, we completed the following acquisitions:

- In January 2014, we acquired all of the outstanding capital stock of NetClime, Inc., a provider of website development software. The results of this business are included in our Small Business Services segment. The allocation of the purchase price based upon the estimated fair value of the assets acquired and liabilities assumed resulted in goodwill of $1,615. The acquisition resulted in goodwill as we expected to drive future revenue as we incorporated NetClime's software solution into our technology platform and the marketing solutions services we offer our customers.
- In May 2014, we acquired selected assets of Gift Box Corporation of America (GBCA), a supplier of retail packaging solutions, including gift boxes, bags, bows, ribbons and wraps. We are operating this business under the name WholeStyle Packaging™. The results of this business are included in our Small Business Services segment.
- In October 2014, we acquired all of the outstanding capital stock of Wausau Financial Systems, Inc. (Wausau), a provider of software-based solutions for receivables management, lockbox processing, remote deposit capture and paperless branch solutions to financial institutions, utilities, government agencies and telecommunications companies. The results of this business are included in our Financial Services segment. The allocation of the purchase price based upon the estimated fair value of the assets acquired and liabilities assumed resulted in goodwill of $44,807. This acquisition resulted in goodwill as Wausau provides new access into the commercial and treasury side of financial institutions through a strong software-as-a-service (SaaS) technology offering.
- During 2014, we acquired the operations of several small business distributors, one of which was classified as held for sale upon acquisition. The results of these businesses are included within our Small Business Services segment. Further information regarding net assets held for sale can be found in Note 2.

2013 acquisitions – During 2013, we completed the following acquisitions:

- In June 2013, we acquired all of the outstanding capital stock of VerticalResponse, Inc., a provider of self-service marketing solutions for small businesses, including email marketing, social media, online event marketing, postcard marketing and on-line surveys. The results of this business are included in our Small Business Services segment. The allocation of the purchase price based upon the estimated fair value of the assets acquired and liabilities assumed resulted in goodwill of $18,735. The acquisition resulted in goodwill as we expected to accelerate revenue growth in marketing solutions by adding VerticalResponse's established customer base and online promotional and internet marketing capabilities.

- In August 2013, we acquired substantially all of the assets of Acton Marketing, LLC (Acton), a provider of direct marketing services for financial institutions. The results of operations of this business are included in our Financial Services segment. The allocation of the purchase price based upon the estimated fair value of the assets acquired and liabilities assumed resulted in tax-deductible goodwill of $1,459. The acquisition resulted in goodwill as we expected to accelerate revenue growth in marketing solutions by combining the Acton business with our existing marketing solutions, bringing the best of these collective programs to both the Deluxe and Acton customer bases.
- In December 2013, we acquired substantially all of the assets of Destination Rewards, Inc., a rewards and loyalty program provider. The results of operations of this business are included in our Financial Services segment. The allocation of the purchase price based upon the estimated fair value of the assets acquired and liabilities assumed resulted in tax-deductible goodwill of $11,705. The acquisition resulted in goodwill as we planned to offer Destination Rewards to our clients as a key component of our marketing solutions product set.
- During 2013, we acquired the operations of five small business distributors, four of which were classified as held for sale upon acquisition. The results of these businesses are included within our Small Business Services segment. Further information regarding net assets held for sale can be found in Note 2.

As our acquisitions were immaterial to our operating results both individually and in the aggregate, pro forma results of operations are not provided. The following illustrates the allocation of the aggregate purchase price for the above acquisitions to the assets acquired and liabilities assumed, reduced for any cash or cash equivalents acquired with the acquisitions.

(in thousands)	2015 acquisitions	2014 acquisitions[1]	2013 acquisitions[2]
Net tangible assets acquired and liabilities assumed	$4,329	$(17,091)	$(12,418)
Identifiable intangible assets:			
Customer lists/relationships	101,867	45,022	43,229
Software to be sold	—	28,500	—
Internal-use software	4,902	1,300	8,446
Trade names	1,400	2,000	200
Other	—	50	2,100
Total intangible assets	108,169	76,872	53,975
Goodwill	109,028	46,422	31,899
Total aggregate purchase price	221,526	106,203	73,456
Liabilities for holdback payments and contingent consideration[3]	(7,404)	(1,600)	(3,922)
Non-cash consideration[4]	(5,419)	(371)	—
Net cash paid for current year acquisitions	208,703	104,232	69,534
Holdback payments for prior year acquisitions	4,287	797	175
Payments for acquisitions, net of cash acquired	$212,990	$105,029	$69,709

(1) Includes adjustments recorded in 2015 for the finalization of purchase accounting for the Wausau acquisition. These adjustments decreased goodwill $714 from the preliminary amount recorded as of December 31, 2014, with the offset to certain income and sales tax accounts. The amount of intangible assets acquired includes assets classified as held for sale upon acquisition of $1,353.

(2) Includes adjustments recorded in 2014 for the finalization of purchase accounting for the Destination Rewards acquisition. These adjustments decreased goodwill $1,375 from the preliminary amount recorded as of December 31, 2013, with the offset to intangible assets. The amount of intangible assets acquired includes assets classified as held for sale upon acquisition of $24,502.

(3) Consists of holdback payments due at a future date and liabilities for contingent consideration related primarily to the 2015 acquisitions of Verify Valid and a small business distributor. Further information regarding liabilities for contingent consideration can be found in Note 7.

(4) Consists of pre-acquisition amounts owed to us by certain of the acquired businesses.

Net tangible assets acquired and liabilities assumed for the 2014 acquisitions consisted primarily of a liability for deferred revenue of $14,200 related to the Wausau acquisition. Net tangible assets acquired and liabilities assumed for the 2013 acquisitions consisted primarily of acquired deferred income tax liabilities. Further information regarding the calculation of the estimated fair values of the intangibles acquired and the liability for deferred revenue can be found in Note 7.

Note 6: Derivative financial instruments

Fair value hedges – We have entered into interest rate swaps to hedge against changes in the fair value of our long-term debt. We entered into these swaps, which we designated as fair value hedges, to achieve a targeted mix of fixed and variable rate debt, where we receive a fixed rate and pay a variable rate based on the London Interbank Offered Rate (LIBOR). The interest rate swaps related to our long-term debt due in 2020 have a notional amount of $200,000 and meet the criteria for using the short-cut method for a fair value hedge based on the structure of the hedging relationship. As such, changes in the fair value of the derivatives and the related long-term debt are equal. The fair value of these interest rate swaps was included in other non-current liabilities in the consolidated balance sheets and was $4,842 as of December 31, 2015 and $8,067 as of December 31, 2014. As the short-cut method is being used to account for these hedges, the decrease in long-term debt due to fair value adjustments was also $4,842 as of December 31, 2015 and $8,067 as of December 31, 2014.

During 2014 and 2013, we also held interest rate swaps related to our long-term debt that matured in October 2014. The short-cut method was not used for these interest rate swaps. As such, changes in the fair value of the interest rate swaps and the related long-term debt were not equal (i.e., hedge ineffectiveness) and were included in interest expense in the consolidated statements of income. Information regarding hedge ineffectiveness during 2014 and 2013 is presented in Note 7.

Cash flow hedges – During 2004, we entered into forward starting interest rate swaps to hedge, or lock-in, the interest rate on a portion of our long-term debt that matured in October 2014. The termination of the lock agreements in 2004 yielded a deferred pre-tax loss of $17,877. This loss was reflected, net of tax, in accumulated other comprehensive loss in the consolidated balance sheet and was reclassified ratably to the statements of income as an increase to interest expense through the related debt's maturity date of October 2014.

Note 7: Fair value measurements

Annual asset impairment analyses – We evaluate the carrying value of goodwill and our indefinite-lived trade name as of July 31 of each year and between annual evaluations if events occur or circumstances change that would indicate a possible impairment. Our policy on impairment of indefinite-lived intangibles and goodwill in Note 1 explains our methodology for assessing impairment of these assets.

In completing the 2015 annual goodwill impairment analysis, we elected to perform a qualitative assessment for all of our reporting units to which goodwill is assigned, with the exception of our Financial Services Commercial reporting unit, which was acquired subsequent to our 2014 annual impairment analysis. Our qualitative analysis evaluated factors including, but not limited to, economic, market and industry conditions, cost factors and the overall financial performance of the reporting units. We also considered the quantitative analysis we completed as of July 31, 2014. In completing the 2015 qualitative analysis, we noted no changes in events or circumstances which would have required us to complete the two-step quantitative goodwill impairment analysis for any of the reporting units analyzed. In addition, the quantitative analysis completed for our Financial Services Commercial reporting unit indicated that its fair value exceeded its carrying value by approximately 13%. Total goodwill for this reporting unit was approximately $45,000 as of July 31, 2015. In completing the 2015 annual impairment analysis of our indefinite-lived trade name, we elected to perform a quantitative assessment which indicated that the calculated fair value of the asset exceeded its carrying value of $19,100 by approximately $20,000 as of July 31, 2015. As such, we recorded no impairment charges as a result of our 2015 annual impairment analyses.

In completing the 2014 annual goodwill impairment analysis, we elected to perform a quantitative assessment for all of our reporting units to which goodwill was assigned, as our previous quantitative analysis was completed during 2010. Our 2014 analysis indicated that the estimated fair values of our reporting units' net assets exceeded their carrying values by approximate amounts between $74,000 and $1,128,000, or by amounts between 47% and 482% above the carrying values of their net assets.

In completing the 2013 annual goodwill impairment analysis, we elected to perform a qualitative assessment for all of our reporting units to which goodwill was assigned. This qualitative analysis evaluated factors including, but not limited to, economic, market and industry conditions, cost factors and the overall financial performance of the reporting units. We also considered the quantitative analysis we completed as of July 31, 2010. In completing our qualitative analysis, we noted no changes in events or circumstances which would have required us to complete the two-step quantitative goodwill impairment analysis for any of our reporting units.

Non-recurring asset impairment analyses – During the third quarter of 2014, we performed an impairment analysis related to our Small Business Services search engine marketing and optimization business. Revenue and the related cash flows from this business had been lower than previously projected, and as a result of our annual planning process completed during the third quarter of 2014, we decided to reduce the revenue base of this business in order to improve its financial performance. As such, we revised our estimates of future revenues and cash flows to reflect these decisions during the third quarter of 2014. We calculated the estimated fair values of the assets as the net present value of estimated future cash flows (level 3 fair value measurement). Our analysis resulted in an impairment charge of $6,468 during 2014, which reflects writing down the net book value of the related intangible assets to zero.

During the fourth quarter of 2013, we performed an impairment analysis of a customer relationship intangible asset within our Small Business Services segment. The impairment analysis was performed because revenue from the applicable group of customers was lower than previously projected. We calculated the estimated fair value of the asset as the net present value of estimated future cash flows. This analysis resulted in an impairment charge of $5,000 during 2013.

Information regarding these nonrecurring fair value measurements was as follows:

(in thousands)	Fair value as of measurement date	Fair value measurements using Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Asset impairment charge
2014:					
Internal-use software	$—	$—	$—	$—	$4,036
Customer relationships	—	—	—	—	1,952
Trade name	—	—	—	—	480
Total impairment charge					$6,468
2013:					
Customer relationships	$2,120	$—	$—	$2,120	$5,000

2015 acquisitions – For all acquisitions, we are required to measure the fair value of the net identifiable tangible and intangible assets and liabilities acquired, excluding goodwill and deferred income taxes. Information regarding the acquisitions completed during 2015 can be found in Note 5. The identifiable net assets acquired were comprised primarily of customer lists associated with the acquisitions of Datamyx, Range, Tech Assets, FMC and FISC Solutions, as well as several small business distributors. We also acquired internal-use software associated with the acquisitions of Datamyx, Verify Valid and a small business distributor. The aggregate fair value of the acquired customer lists was $101,867 and was estimated by discounting the estimated cash flows expected to be generated by the assets. Assumptions used in the calculations included same-customer revenue growth rates and estimated customer retention rates based on the acquirees' historical information. The fair value of the acquired internal-use software was $4,902. The fair value of a portion of the software was estimated using the relief from royalty method, which calculates the cost savings associated with owning rather than licensing the technology. Assumed royalty rates were applied to the projected revenues for the remaining useful life of the software to estimate the royalty savings. The fair value of the remainder of the software was estimated using the cost of reproduction method. The primary components of the software were identified and the estimated cost to reproduce the software was calculated based on data provided by the acquirees. Information regarding the estimated useful lives of acquired intangibles can be found in Note 2.

Liabilities for contingent consideration related primarily to the acquisitions of Verify Valid and a small business distributor. Under the Verify Valid purchase agreement, we are required to make contingent payments over a period of up to eight years, based on the revenue generated by the business. A specified payment percentage for each year is applied to the revenue generated by the business in that year to determine the amount of the payment. There is no maximum amount of contingent payments specified in the agreement. Under the small business distributor purchase agreement, we are required to make annual contingent payments over a period of up to three years, based on the gross profit generated by the business. A specified payment percentage for each year is applied to the gross profit generated by the business in that year to determine the amount of the payment. The maximum contingent payment in any year of the agreement is $925. The fair value of the liabilities for contingent payments recognized upon acquisition was estimated by discounting to present value the probability-weighted contingent payments expected to be made. Assumptions used in the calculations included the discount rate, projected revenue or gross profit based on our most recent internal forecast, and factors indicating the probability of achieving the forecasted revenue or gross profit. The liabilities are remeasured each reporting period. Increases or decreases in projected revenue or gross profit and the related probabilities may result in a higher or lower fair value measurement. Changes in fair value resulting from changes in the timing, amount of, or likelihood of contingent payments are included in SG&A expense in the consolidated statements of income. Changes in fair value resulting from accretion for the passage of time are included in interest expense in the consolidated statements of income.

2014 acquisitions – The identifiable net assets acquired during 2014 (Note 5) were comprised primarily of customer lists associated with the acquisitions of Wausau, small business distributors and GBCA, as well as software to be sold associated with the acquisition of Wausau. The estimated fair values for the intangibles acquired in the Wausau acquisition were preliminary as of December 31, 2014 and were finalized during the first quarter of 2015. The aggregate fair value of the customer lists acquired was $45,022, which was estimated using the multi-period excess earnings method. Assumptions used in the calculations included same-customer revenue growth rates and estimated customer retention rates based on the acquirees' historical information. The aggregate fair value of the acquired software to be sold was $28,500. This software was associated with the Wausau acquisition and was estimated using a relief from royalty method, which calculates the cost savings associated with owning rather than licensing the technology. Assumed royalty rates were applied to the projected revenues for the expected remaining useful lives of each product technology component to estimate the royalty savings. Information regarding the estimated useful lives of acquired intangibles can be found in Note 2. Additionally, we acquired a liability for deferred revenue of $14,200 related to the Wausau acquisition. The fair value of this liability was estimated as the direct and incremental costs to provide the services required plus an estimated profit margin.

2013 acquisitions – The identifiable net assets acquired during 2013 (Note 5) were comprised primarily of customer relationships associated with each of the acquired businesses, as well as internal-use software associated with the acquisitions of VerticalResponse and Destination Rewards. The estimated fair values for the intangibles acquired in the Destination Rewards acquisition were preliminary as of December 31, 2013 and were finalized during 2014. The aggregate fair value of the customer lists acquired was $43,229, which was estimated using the multi-period excess earnings method. Assumptions used in the calculations included same-customer revenue growth rates and estimated customer retention rates based on the acquirees' historical information. The aggregate fair value of the acquired internal-use software was $8,446, which was estimated using a cost of reproduction method. The primary components of the software were identified and the estimated cost to reproduce the software was calculated. As a portion of the acquired software was recently developed, the estimated cost to reproduce was based on the actual time and labor rates incurred by the acquiree. For the remainder of the acquired software, we utilized estimated time and labor rates derived from our historical data from previous upgrades of similar size and nature. Information regarding the estimated useful lives of acquired intangibles can be found in Note 2.

Recurring fair value measurements – Funds held for customers included available-for-sale marketable securities (Note 2). These securities consisted of a mutual fund investment that invests in Canadian and provincial government securities and investments in Canadian guaranteed investment certificates (GIC's) with maturities of one year or less. The mutual fund is not traded in an active market and its fair value is determined by obtaining quoted prices in active markets for the underlying securities held by the fund. The fair value of the GIC's approximated cost due to their relatively short duration. Unrealized gains and losses, net of tax, are included in accumulated other comprehensive loss in the consolidated balance sheets. The cost of securities sold is determined using the average cost method. Realized gains and losses are included in revenue in the consolidated statements of income and were not significant during the past three years.

Other current assets included available-for-sale marketable securities (Note 2). These securities consisted of a Canadian money market fund that is not traded in an active market. As such, the fair value of this investment is determined by obtaining quoted prices in active markets for the underlying securities held by the fund. Because of the short-term nature of the underlying investments, the cost of these securities approximates their fair value. The cost of securities sold is determined using the average cost method. No gains or losses on sales of these marketable securities were realized during the past three years.

We have elected to account for a long-term investment in domestic mutual funds under the fair value option for financial assets and financial liabilities. The fair value option provides companies an irrevocable option to measure many financial assets and liabilities at fair value with changes in fair value recognized in earnings. The investment is included in long-term investments in the consolidated balance sheets. Information regarding the accounting for this investment is provided in our long-term investments policy in Note 1. Realized gains recognized during the past three years were not significant, nor were unrealized losses recognized during 2014. We recognized net unrealized losses on the investment in mutual funds of $281 during 2015 and unrealized gains of $323 during 2013.

The fair value of interest rate swaps (Note 6) is determined at each reporting date by means of a pricing model utilizing readily observable market interest rates. The change in fair value is determined as the change in the present value of estimated future cash flows discounted using the LIBOR rate. The interest rate swaps related to our long-term debt due in 2020 meet the criteria for using the short-cut method for a fair value hedge based on the structure of the hedging relationship. As such, the changes in the fair value of the derivative and the related long-term debt are equal. The short-cut method was not being used for our other interest rate swaps, which terminated with the maturity of the related long-term debt in October 2014. Changes in the fair value of the interest rate swaps, as well as changes in the fair value of the hedged debt, are included in interest expense in the consolidated statements of income and were as follows:

(in thousands)	2015	2014	2013
Gain (loss) from derivatives	$3,225	$6,014	$(13,750)
(Loss) gain from change in fair value of hedged debt	(3,225)	(6,603)	13,851
Net (increase) decrease in interest expense	$—	$(589)	$101

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Information regarding recurring fair value measurements completed during each period was as follows:

(in thousands)	Fair value as of December 31, 2015	Fair value measurements using Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Available-for-sale marketable securities (funds held for customers)	$15,067	$—	$15,067	$—
Available-for-sale marketable securities (other current assets)	1,616	—	1,616	—
Long-term investment in mutual funds	2,091	2,091	—	—
Derivative liabilities	(4,842)	—	(4,842)	—
Accrued contingent consideration	(5,861)	—	—	(5,861)

(in thousands)	Fair value as of December 31, 2014	Fair value measurements using Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Available-for-sale marketable securities (funds held for customers)	$17,730	$—	$ 17,730	$—
Available-for-sale marketable securities (other current assets)	1,895	—	1,895	—
Long-term investment in mutual funds	2,384	2,384	—	—
Derivative liabilities	(8,067)	—	(8,067)	—

Our policy is to recognize transfers between fair value levels as of the end of the reporting period in which the transfer occurred. There were no transfers between fair value levels during 2015 or 2014.

Accrued contingent consideration related primarily to the acquisitions of Verify Valid and a small business distributor, as discussed above under the caption 2015 acquisitions. Changes in accrued contingent consideration during 2015 were as follows:

(in thousands)	2015
Balance, December 31, 2014	$409
Acquisition date fair value	5,575
Change in fair value	187
Payments	(310)
Balance, December 31, 2015	$5,861

Fair value measurements of other financial instruments – The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate fair value.

Cash, short-term borrowings, and cash included within funds held for customers – The carrying amounts reported in the consolidated balance sheets approximate fair value because of the short-term nature of these items.

Loans and notes receivable from distributors – We have receivables for loans made to certain of our Safeguard distributors. In addition, we have acquired the operations of several small business distributors which we then sold to our Safeguard distributors. In most cases, we entered into notes receivable upon the sale of the assets to the distributors. The fair value of these loans and notes receivables is calculated as the present value of expected future cash flows, discounted using an estimated interest rate based on published bond yields for companies of similar risk.

Long-term debt – The fair value of long-term debt is based on significant observable market inputs other than quoted prices in active markets. The fair value of long-term debt included in the table below does not reflect the impact of hedging activity. The carrying amount of long-term debt includes the change in fair value of hedged long-term debt.

The estimated fair values of these financial instruments were as follows:

(in thousands)	December 31, 2015 Carrying value	Fair value	Fair value measurements using Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash	$62,427	$62,427	$62,427	$—	$—
Cash (funds held for customers)	38,276	38,276	38,276	—	—
Loans and notes receivable from distributors	25,745	23,383	—	—	23,383
Short-term borrowings	434,000	434,000	434,000	—	—
Long-term debt[1]	195,158	207,000	—	207,000	—

[1] Amounts exclude capital lease obligations.

(in thousands)	December 31, 2014 Carrying value	Fair value	Fair value measurements using Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash	$61,541	$61,541	$61,541	$—	$—
Cash (funds held for customers)	25,874	25,874	25,874	—	—
Loans and notes receivable from distributors	16,915	15,765	—	—	15,765
Short-term borrowings	160,000	160,000	160,000	—	—
Long-term debt[1]	391,933	419,000	—	419,000	—

[1] Amounts exclude capital lease obligations.

Note 8: Restructuring charges

Net restructuring charges for the years ended December 31 consisted of the following components:

(in thousands)	2015	2014	2013
Severance accruals	$5,891	$8,411	$7,495
Severance reversals	(1,197)	(1,513)	(805)
Operating lease obligations	338	—	216
Operating lease obligations reversals	—	—	(157)
Net restructuring accruals	5,032	6,898	6,749
Other costs	1,202	2,757	4,157
Net restructuring charges	$6,234	$9,655	$10,906
Number of employees included in severance accruals	290	260	230

The net restructuring charges for the years ended December 31 are reflected in the consolidated statements of income as follows:

(in thousands)	2015	2014	2013
Total cost of revenue	$1,816	$879	$1,471
Operating expenses	4,418	8,776	9,435
Net restructuring charges	$6,234	$9,655	$10,906

In each of the past three years, the net restructuring accruals included severance charges related to employee reductions across functional areas as we continued to reduce costs, primarily within our sales and marketing, information technology and fulfillment functions. These charges were reduced by the reversal of restructuring accruals, as fewer employees received severance benefits than originally estimated. Other restructuring costs, which were expensed as incurred, included items such as information technology costs, employee and equipment moves, training and travel related to our restructuring activities.

Restructuring accruals of $3,864 as of December 31, 2015 and $4,276 as of December 31, 2014 are reflected in the consolidated balance sheets as accrued liabilities. The majority of the employee reductions are expected to be completed in the first quarter of 2016, and we expect most of the related severance payments to be paid by the third quarter of 2016, utilizing cash from operations. The remaining payments due under operating lease obligations will be paid through the third quarter of 2016. As of December 31, 2015, approximately 70 employees had not yet started to receive severance benefits.

Accruals for our restructuring initiatives, summarized by year, were as follows:

(in thousands)	2010/2011 initiatives	2012 initiatives	2013 initiatives	2014 initiatives	2015 initiatives	Total
Balance, December 31, 2012	$106	$4,544	$—	$—	$—	$4,650
Restructuring charges	49	283	7,379	—	—	7,711
Restructuring reversals	(3)	(822)	(137)	—	—	(962)
Payments	(152)	(3,596)	(2,013)	—	—	(5,761)
Balance, December 31, 2013	—	409	5,229	—	—	5,638
Restructuring charges	—	21	250	8,140	—	8,411
Restructuring reversals	—	(12)	(859)	(642)	—	(1,513)
Payments	—	(386)	(4,492)	(3,382)	—	(8,260)
Balance, December 31, 2014	—	32	128	4,116	—	4,276
Restructuring charges	—	—	—	102	6,127	6,229
Restructuring reversals	—	—	(48)	(691)	(458)	(1,197)
Payments	—	(32)	(80)	(3,351)	(1,981)	(5,444)
Balance, December 31, 2015	$—	$—	$—	$176	$3,688	$3,864
Cumulative amounts:						
Restructuring charges	$18,854	$8,012	$7,629	$8,242	$6,127	$48,864
Restructuring reversals	(3,267)	(1,363)	(1,044)	(1,333)	(458)	(7,465)
Payments	(15,587)	(6,649)	(6,585)	(6,733)	(1,981)	(37,535)
Balance, December 31, 2015	$—	$—	$—	$176	$3,688	$3,864

The components of our restructuring accruals, by segment, were as follows:

(in thousands)	Employee severance benefits				Operating lease obligations			
	Small Business Services	Financial Services	Direct Checks	Corporate[1]	Small Business Services	Financial Services	Direct Checks	Total
Balance, December 31, 2012	$643	$1,090	$44	$2,472	$251	$—	$150	$4,650
Restructuring charges	2,459	2,619	407	2,010	164	—	52	7,711
Restructuring reversals	(129)	(249)	(4)	(423)	(157)	—	—	(962)
Payments	(1,349)	(1,469)	(82)	(2,551)	(108)	—	(202)	(5,761)
Balance, December 31, 2013	1,624	1,991	365	1,508	150	—	—	5,638
Restructuring charges	3,566	2,897	36	1,912	—	—	—	8,411
Restructuring reversals	(858)	(306)	(37)	(312)	—	—	—	(1,513)
Payments	(2,920)	(2,734)	(364)	(2,124)	(118)	—	—	(8,260)
Balance, December 31, 2014	1,412	1,848	—	984	32	—	—	4,276
Restructuring charges	2,254	1,451	—	2,186	285	53	—	6,229
Restructuring reversals	(684)	(235)	—	(278)	—	—	—	(1,197)
Inter-segment transfer	41	(14)	—	(27)	—	—	—	—
Payments	(2,000)	(2,166)	—	(1,006)	(261)	(11)	—	(5,444)
Balance, December 31, 2015	$1,023	$884	$—	$1,859	$56	$42	$—	$3,864
Cumulative amounts[2]:								
Restructuring charges	$14,440	$13,057	$3,776	$16,080	$779	$53	$679	$48,864
Restructuring reversals	(2,850)	(1,575)	(253)	(2,630)	(157)	—	—	(7,465)
Inter-segment transfer	350	36	(38)	(348)	—	—	—	—
Payments	(10,917)	(10,634)	(3,485)	(11,243)	(566)	(11)	(679)	(37,535)
Balance, December 31, 2015	$1,023	$884	$—	$1,859	$56	$42	$—	$3,864

[1] As discussed in Note 16, corporate costs are allocated to our business segments. As such, the net corporate restructuring charges are reflected in the business segment operating income presented in Note 16 in accordance with our allocation methodology.
[2] Includes accruals related to our cost reduction initiatives for 2010 through 2015.

Note 9: Income tax provision

Income before income taxes was comprised of the following for the years ended December 31:

(in thousands)	2015	2014	2013
United States	$312,157	$279,326	$263,427
Foreign	15,790	17,855	17,632
Income before income taxes	$327,947	$297,181	$281,059

The components of the income tax provision were as follows for the years ended December 31:

(in thousands)	2015	2014	2013
Current tax provision:			
Federal	$98,000	$91,630	$80,262
State	10,632	8,674	11,599
Foreign	3,942	4,496	4,789
Total current tax provision	112,574	104,800	96,650
Deferred tax provision:			
Federal	(3,591)	(6,165)	(1,403)
State	354	(1,491)	(618)
Foreign	(19)	243	(222)
Total deferred tax provision	(3,256)	(7,413)	(2,243)
Income tax provision	$109,318	$97,387	$94,407

The effective tax rate on pre-tax income reconciles to the U.S. federal statutory tax rate of 35% for the years ended December 31 as follows:

	2015	2014	2013
Income tax at federal statutory rate	35.0%	35.0%	35.0%
State income tax expense, net of federal income tax benefit	2.3%	2.3%	2.8%
Qualified production activities deduction	(2.9%)	(2.8%)	(2.8%)
Other	(1.1%)	(1.7%)	(1.4%)
Income tax provision	33.3%	32.8%	33.6%

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A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding accrued interest and penalties and the federal benefit of deductible state income tax, is as follows:

(in thousands)	Unrecognized tax benefits
Balance, December 31, 2012	$5,619
Additions for tax positions of current year	617
Additions for tax positions of prior years	834
Fair value of acquired tax positions	316
Reductions for tax positions of prior years	(1,178)
Lapse of statutes of limitations	(203)
Balance, December 31, 2013	6,005
Additions for tax positions of current year	487
Additions for tax positions of prior years	500
Fair value of acquired tax positions	65
Reductions for tax positions of prior years	(902)
Lapse of statutes of limitations	(214)
Adoption of ASU No. 2013-11[1]	(669)
Balance, December 31, 2014	5,272
Additions for tax positions of current year	625
Additions for tax positions of prior years	802
Reductions for tax positions of prior years	(225)
Settlements	(541)
Lapse of statutes of limitations	(190)
Balance, December 31, 2015	$5,743

[1] On January 1, 2014, we adopted ASU No. 2013-11, Presentation of Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. Adoption of this standard resulted in an increase in non-current deferred income tax liabilities and a corresponding decrease in other non-current liabilities.

If the unrecognized tax benefits as of December 31, 2015 were recognized in our consolidated financial statements, $5,743 would positively affect income tax expense and our related effective tax rate. Accruals for interest and penalties, excluding the tax benefits of deductible interest, were $1,151 as of December 31, 2015 and $982 as of December 31, 2014. Our income tax provision included expense for interest and penalties of $177 in 2015 and $7 in 2014 and a credit for interest and penalties of $198 in 2013. Within the next 12 months, it is reasonably possible that our unrecognized tax benefits will change in the range of a decrease of $3,900 to an increase of $1,300 as we attempt to resolve certain federal and state tax matters or as federal and state statutes of limitations expire. Due to the nature of the underlying liabilities and the extended time frame often needed to resolve income tax uncertainties, we cannot provide reliable estimates of the amount or timing of cash payments that may be required to settle these liabilities.

The statute of limitations for federal tax assessments for 2011 and prior years has expired. Our federal income tax returns through 2013 have been audited by the Internal Revenue Service (IRS), and our returns for 2014 through 2015 remain subject to IRS examination. In general, income tax returns for the years 2011 through 2015 remain subject to examination by foreign, state and city tax jurisdictions. In the event that we have determined not to file income tax returns with a particular state or city, all years remain subject to examination by the tax jurisdiction.

The ultimate outcome of tax matters may differ from our estimates and assumptions. Unfavorable settlement of any particular issue would require the use of cash and could result in increased income tax expense. Favorable resolution would result in reduced income tax expense.

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Tax-effected temporary differences that gave rise to deferred tax assets and liabilities as of December 31 were as follows:

(in thousands)	2015 Deferred tax assets	2015 Deferred tax liabilities	2014 Deferred tax assets	2014 Deferred tax liabilities
Goodwill	$—	$60,506	$—	$56,875
Intangible assets	—	37,842	—	40,010
Prepaid assets	—	4,285	—	4,640
Deferred advertising costs	—	3,786	—	4,176
Early extinguishment of debt	—	2,342	—	3,129
Employee benefit plans	14,279	—	9,485	—
Reserves and accruals	8,305	—	8,119	—
Net operating loss and capital loss carryforwards	5,793	—	7,797	—
Inventories	3,100	—	2,992	—
Federal benefit of state uncertain tax positions	2,201	—	1,882	—
All other	3,184	5,143	1,844	4,612
Total deferred taxes	36,862	113,904	32,119	113,442
Valuation allowances	(2,796)	—	(2,945)	—
Net deferred taxes	$34,066	$113,904	$29,174	$113,442

The valuation allowances as of December 31, 2015 and December 31, 2014 related primarily to capital loss carryforwards in Canada and net operating loss carryforwards in various state jurisdictions and in Ireland, which we do not currently expect to fully realize. The provision for income taxes included charges of $140 for 2015 and $732 for 2013 and benefits of $37 for 2014 related to changes in the valuation allowances. The remainder of the change in the valuation allowances was attributable to foreign currency translation.

As of December 31, 2015, undistributed earnings of our Canadian subsidiary companies totaled approximately $94,000. We intend to indefinitely reinvest these undistributed earnings outside of the U.S. and, therefore, no U.S. deferred income taxes have been recognized on these earnings. We would only repatriate these earnings if it were tax efficient to do so. If all or a portion of these earnings were to be distributed by dividend or loan, or upon sale of Canadian subsidiary company stock to a third party, our related U.S. income tax liability may be reduced by Canadian income taxes paid on those earnings. Our ability to reduce the related U.S. income tax liability using foreign tax credits is hampered by a tax attribute acquired with New England Business Service, Inc. in 2004. Determination of the amount of the unrecognized U.S. deferred income tax liability related to book-tax basis differences, primarily these undistributed foreign earnings, is not practical as the assumed timing of any distribution impacts the amount of the liability. As of December 31, 2015, the amount of cash, cash equivalents and marketable securities held by our Canadian subsidiaries was $56,087.

As of December 31, 2015, we had the following net operating loss and capital loss carryforwards:

- State net operating loss carryforwards of $54,354, which expire at various dates up to 2035;
- Capital loss carryforwards of $4,649 in Canada which do not expire;
- Federal net operating loss carryforwards of $3,821, which expire at various dates between 2025 and 2032; and
- Net operating loss carryforwards of $3,692 in Ireland which do not expire.

Note 10: Share-based compensation plans

Our employee share-based compensation plans consist of our employee stock purchase plan and our long-term incentive plan. Effective May 2, 2012, our shareholders approved the Deluxe Corporation 2012 Long-Term Incentive Plan, simultaneously terminating our previous plan. Under this plan, 5,000 shares of common stock plus any shares released as a result of the forfeiture or termination of awards issued under our prior plans are reserved for issuance, with 2,964 shares remaining available for issuance as of December 31, 2015. Full value awards such as restricted stock, restricted stock units and share-based performance awards reduce the number of shares available for issuance by a factor of 2.23, or if such an award were forfeited or terminated without delivery of the shares, the number of shares that again become eligible for issuance would be multiplied by a factor of 2.23. During the past three years, we had non-qualified stock options, restricted stock units and restricted share awards outstanding under our current and previous plans. Additionally, we began granting performance share awards during 2014. See the employee share-based compensation policy in Note 1 for our policies regarding the recognition of compensation expense for employee share-based awards.

The following amounts were recognized in our consolidated statements of income for share-based compensation awards for the years ended December 31 :

(in thousands)	2015	2014	2013
Stock options	$3,964	$4,305	$4,705
Restricted shares and restricted stock units	5,407	4,111	2,556
Performance share awards	2,115	966	—
Employee stock purchase plan	408	394	301
Total share-based compensation expense	$11,894	$9,776	$7,562
Income tax benefit	$(3,965)	$(3,204)	$(2,595)

As of December 31, 2015, the total compensation expense for unvested awards not yet recognized in our consolidated statements of income was $13,365, net of the effect of estimated forfeitures. This amount is expected to be recognized over a weighted-average period of 1.7 years.

Non-qualified stock options – All options allow for the purchase of shares of common stock at prices equal to the stock's market value at the date of grant. Options become exercisable beginning one year after the grant date, with one-third vesting each year over three years. Options may be exercised up to seven years following the date of grant. Beginning one year after the grant date, in the case of qualified retirement, death or disability, options vest immediately and the period over which the options can be exercised is shortened. Beginning one year after the grant date, in the case of involuntary termination without cause, a pro-rata portion of the options vest immediately and the period over which the options can be exercised is shortened. For options granted prior to 2013, in the case of involuntary termination without cause, all options vest immediately and the period over which the options can be exercised is shortened. Employees forfeit unvested options when they voluntarily terminate their employment with the company, and they have up to three months to exercise vested options before they are canceled. In the case of involuntary termination with cause, the entire unexercised portion of the award is canceled. All options may vest immediately upon a change of control, as defined in the award agreement. The following weighted-average assumptions were used in the Black-Scholes option pricing model in determining the fair value of stock options granted:

	2015	2014	2013
Risk-free interest rate	1.3%	1.2%	0.7%
Dividend yield	1.8%	2.0%	2.6%
Expected volatility	31.7%	36.1%	50.5%
Weighted-average option life (in years)	4.0	4.3	4.3

The risk-free interest rate for periods within the expected option life is based on the U.S. Treasury yield curve in effect at the grant date. The dividend yield is estimated over the expected life of the option based on historical dividends paid. Expected volatility is based on the historical volatility of our stock over the most recent historical period equivalent to the expected life of the option. The expected life is the average length of time over which we expect the employee groups will exercise their options, based on historical experience with similar grants.

Each option is convertible into one share of common stock upon exercise. Information regarding options issued under the current and all previous plans was as follows:

	Number of options (in thousands)	Weighted-average exercise price per option	Aggregate intrinsic value	Weighted-average remaining contractual term (in years)
Outstanding, December 31, 2012	2,222	$ 24.96		
Granted	465	38.74		
Exercised	(912)	27.19		
Forfeited or expired	(135)	30.03		
Outstanding, December 31, 2013	1,640	27.22		
Granted	290	50.48		
Exercised	(552)	23.81		
Forfeited or expired	(66)	37.53		
Outstanding, December 31, 2014	1,312	33.28		
Granted	268	67.02		
Exercised	(186)	27.36		
Forfeited or expired	(40)	55.13		
Outstanding, December 31, 2015	1,354	40.11	$22,658	4.0
Exercisable at December 31, 2013	759	$ 22.09		
Exercisable at December 31, 2014	645	25.76		
Exercisable at December 31, 2015	820	29.99	$20,135	3.1

The weighted-average grant-date fair value of options granted was $14.97 per option for 2015, $12.97 per option for 2014 and $13.02 per option for 2013. The intrinsic value of a stock award is the amount by which the fair value of the underlying stock exceeds the exercise price of the award. The total intrinsic value of options exercised was $6,882 for 2015, $17,074 for 2014 and $13,614 for 2013.

Restricted stock units – Certain management employees have the option to receive a portion of their bonus payment in the form of restricted stock units. When employees elect this payment method, we provide an additional matching amount of restricted stock units equal to 50% of the restricted stock units earned under the bonus plan. These awards vest two years from the date of grant. In the case of approved retirement, death, disability or change of control, the units vest immediately. In the case of involuntary termination without cause or voluntary termination, employees receive a cash payment for the units earned under the bonus plan, but forfeit the company-provided matching amount.

In addition to awards granted to employees, non-employee members of our board of directors can elect to receive all or a portion of their fees in the form of restricted stock units. Directors are issued shares in exchange for the units upon the earlier of the tenth anniversary of February 1st of the year following the year in which the non-employee director ceases to serve on the board or such other objectively determinable date pre-elected by the director.

Each restricted stock unit is convertible into one share of common stock upon completion of the vesting period. Information regarding our restricted stock units was as follows:

	Number of units (in thousands)	Weighted-average grant date fair value per unit	Weighted-average remaining contractual term (in years)
Outstanding at December 31, 2012	123	$ 24.56	
Granted	45	36.74	
Vested	(11)	24.33	
Forfeited	(7)	26.78	
Outstanding at December 31, 2013	150	27.11	
Granted	30	53.64	
Vested	(13)	23.42	
Forfeited	(1)	34.08	
Outstanding at December 31, 2014	166	30.51	
Granted	34	63.28	
Vested	(30)	25.05	
Forfeited	(3)	58.04	
Outstanding at December 31, 2015	167	34.74	3.9

Of the awards outstanding as of December 31, 2015, 28 restricted stock units with a value of $1,513 were included in accrued liabilities and other non-current liabilities in our consolidated balance sheet. As of December 31, 2015, these units had a fair value of $54.54 per unit and a weighted-average remaining contractual term of seven months.

The total fair value of restricted stock units that vested was $1,970 for 2015, $654 for 2014 and $390 for 2013. We made cash payments of $120 during 2015, $25 during 2013 and $64 during 2012 to settle share-based liabilities.

Restricted shares – Our restricted share awards have a set vesting period at which time the restrictions on the shares lapse. The vesting period on these awards currently ranges from one year to three years. The restrictions lapse immediately in the case of qualified retirement, death or disability. In the case of involuntary termination without cause or a change of control, restrictions on a pro-rata portion of the shares lapse based on how much of the vesting period has passed. In the case of voluntary termination of employment or termination with cause, the unvested restricted shares are forfeited.

Information regarding unvested restricted shares was as follows:

	Number of shares (in thousands)	Weighted-average grant date fair value per share	Weighted-average remaining contractual term (in years)
Unvested at December 31, 2012	40	$ 23.73	
Granted	17	37.50	
Vested	(33)	23.68	
Forfeited	(3)	23.45	
Unvested at December 31, 2013	21	35.24	
Granted	121	51.08	
Vested	(11)	37.06	
Forfeited	(11)	48.14	
Unvested at December 31, 2014	120	49.96	
Granted	72	66.99	
Vested	(14)	50.72	
Forfeited	(8)	58.58	
Unvested at December 31, 2015	170	56.35	1.5

The total fair value of restricted shares that vested was $925 for 2015, $624 for 2014 and $1,233 for 2013.

Performance share awards – We began granting performance share awards during 2014. These awards have a three-year vesting period and shares will be issued at the end of the vesting period if performance targets relating to revenue and total shareholder return are achieved. If employment is terminated for any reason prior to the one-year anniversary of the commencement of the performance period, the award is forfeited. On or after the one-year anniversary of the commencement of the performance period, a pro-rata portion of the shares awarded at the end of the performance period would be issued in the case of qualified retirement, death, disability, involuntary termination without cause or resignation for good reason, as defined in the agreement. The following weighted-average assumptions were used in the Monte Carlo simulation model in determining the fair value of market-based performance shares granted:

	2015	2014
Risk-free interest rate	1.0 %	0.7 %
Dividend yield	1.9 %	2.4 %
Expected volatility	22.7 %	30.5 %

The risk-free interest rate for periods within the expected award life is based on the U.S. Treasury yield curve in effect at the grant date. The dividend yield is estimated over the expected life of the award based on historical dividends paid. Expected volatility is based on the historical volatility of our stock.

The performance share information presented in the table below represents the target amount of awards granted. The actual number of shares awarded upon vesting may be higher or lower depending upon our execution relative to the performance targets as of the end of the performance period.

	Performance shares (in thousands)	Weighted-average grant date fair value per share	Weighted-average remaining contractual term (in years)
Unvested at December 31, 2013	—	$ —	
Granted	74	50.14	
Forfeited	(5)	50.14	
Unvested at December 31, 2014	69	50.14	
Granted	62	67.09	
Forfeited	(9)	58.28	
Unvested at December 31, 2015	122	58.13	1.6

Employee stock purchase plan – During 2015, 43 shares were issued under this plan at prices of $55.19 and $54.77. During 2014, 44 shares were issued under this plan at prices of $41.27 and $46.76. During 2013, 51 shares were issued under this plan at prices of $31.27 and $34.86.

Note 11: Employee benefit plans

Profit sharing/401(k) plan – We maintain a profit sharing/401(k) plan to provide retirement benefits for certain employees. The plan covers a majority of our full-time employees, as well as some part-time employees. Employees are eligible to participate in the plan on the first day of the quarter following their first full year of service.

Profit sharing contributions are made solely by Deluxe and are remitted to the plan's trustee. These contributions vary based on the company's performance. 401(k) contributions are made by both employees and Deluxe. Employees under the age of 50 could contribute up to the lesser of $18 or 50% of eligible wages during 2015. Employees 50 years of age or older could make contributions of up to $24 during 2015. For the majority of employees, we match 100% of the first 1% of wages contributed by employees and 50% of the next 5% of wages contributed, beginning on the first day of the quarter following an employee's first full year of service. All employee and employer contributions are remitted to the plan's trustee. Benefits provided by the plan are paid from accumulated funds of the trust.

Employees are provided a broad range of investment options to choose from when investing their profit sharing/401(k) plan funds. Investing in our common stock is not one of these options, although funds selected by employees may at times hold our common stock.

Cash bonus programs – We provide both short-term and long-term cash bonus programs under which employees may receive cash bonus payments based on specified performance criteria. Our short-term programs are based on our performance for a given fiscal year and payments earned are paid directly to employees shortly after the end of the year. Our long-term incentive programs have performance periods of three years, and any payments earned are paid directly to employees shortly after the end of each three-year period.

Expense recognized in the consolidated statements of income for these plans was as follows for the years ended December 31:

(in thousands)	2015	2014	2013
Performance-based compensation plans[1]	$27,456	$29,629	$25,561
401(k) expense	7,628	7,209	7,004

(1) Includes expense for profit sharing contributions, as they vary based on our performance. Excludes expense for stock-based compensation, which is discussed in Note 10.

Deferred compensation plan – We have a non-qualified deferred compensation plan that allows eligible employees to defer a portion of their compensation. Participants can elect to defer up to 100% of their base salary plus up to 50% of their bonus for the year. The compensation deferred under this plan is credited with earnings or losses measured by the mirrored rate of return on phantom investments elected by plan participants, which are similar to the investments available for funds invested under our profit sharing/401(k) plan. Each participant is fully vested in all deferred compensation and earnings. A participant may

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elect to receive deferred amounts in a lump-sum payment or in monthly installments upon termination of employment or disability. Our total liability under this plan was $3,126 as of December 31, 2015 and $3,466 as of December 31, 2014. These amounts are reflected in accrued liabilities and other non-current liabilities in the consolidated balance sheets. We hold investments in an irrevocable rabbi trust for our deferred compensation plan. These assets consist of investments in company-owned life insurance policies, which are included in long-term investments in the consolidated balance sheets, and totaled $13,397 as of December 31, 2015 and $12,873 as of December 31, 2014.

Voluntary employee beneficiary association (VEBA) trust – We previously maintained a VEBA trust to fund employee and retiree medical costs and severance benefits. Contributions to the VEBA trust were tax deductible, subject to annual limitations contained in the Internal Revenue Code. VEBA assets consisted of investments in cash equivalents. During 2014, we made the decision to no longer pre-fund the trust. As such, there was no longer any reason to maintain the trust and we discontinued it, effective December 31, 2015. Beginning in 2016, we will pay benefits directly, as opposed to paying them through the VEBA trust. As we were not pre-funding the trust during 2015, this change does not affect the timing or amount of the related cash flows. Total contributions to the VEBA trust were $25,574 in 2015, $14,000 in 2014 and $25,700 in 2013.

Note 12: Postretirement benefits

We have historically provided certain health care benefits for a large number of retired U.S. employees. Employees hired prior to January 1, 2002 become eligible for benefits if they attain the appropriate years of service and age prior to retirement. Employees hired on January 1, 2002 or later are not eligible to participate in our retiree health care plan. In addition to our retiree health care plan, we also have a supplemental executive retirement plan (SERP) in the United States. The SERP is no longer an active plan. It is not adding new participants and all of the current participants are retired. The SERP has no plan assets, but our obligation is fully funded by investments in company-owned life insurance policies.

Obligations and funded status – The following tables summarize the change in benefit obligation, plan assets and funded status during 2015 and 2014:

(in thousands)	Postretirement benefit plan	Pension plan
Change in benefit obligation:		
Benefit obligation, December 31, 2013	$108,567	$3,428
Interest cost	4,414	139
Net actuarial (gain) loss	(3,513)	621
Benefits paid from plan assets and company funds	(9,878)	(324)
Medicare Part D reimbursements	842	—
Benefit obligation, December 31, 2014	100,432	3,864
Interest cost	3,309	128
Net actuarial loss (gain)	5,258	(130)
Benefits paid from plan assets and company funds	(10,122)	(324)
Pharmacy rebates and Medicare Part D reimbursements	2,007	—
Benefit obligation, December 31, 2015	$100,884	$3,538
Change in plan assets:		
Fair value of plan assets, December 31, 2013	$133,548	$—
Return on plan assets	7,701	—
Benefits paid	(8,434)	—
Transfer of assets to VEBA trust	(8,140)	—

Fair value of plan assets, December 31, 2014	124,675	—
Return on plan assets	391	—
Benefits paid	(7,932)	—
Fair value of plan assets, December 31, 2015	$117,134	$—
Funded status, December 31, 2014	$24,243	$(3,864)
Funded status, December 31, 2015	$16,250	$(3,538)

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As of December 31, 2015 and 2014, the accumulated benefit obligation for the SERP equaled its projected benefit obligation.

Previously, a portion of our plan assets could be used only to pay prescription drug benefits for pre-1986 retirees. During 2014, a plan amendment was executed that allowed these assets to be used for medical and severance benefits for retired and active employees. As such, as of our December 31, 2014 measurement date, these assets were no longer plan assets of our postretirement benefit plan, but became assets of our VEBA trust (Note 11). Plan assets were reduced $8,140 as a result of this amendment.

The funded status of our plans was recognized in the consolidated balance sheets as of December 31 as follows:

	Postretirement benefit plan		Pension plan	
(in thousands)	2015	2014	2015	2014
Other non-current assets	$16,250	$24,243	$—	$—
Accrued liabilities	—	—	324	324
Other non-current liabilities	—	—	3,214	3,540

Amounts included in accumulated other comprehensive loss as of December 31 that have not been recognized as components of postretirement benefit income were as follows:

(in thousands)	2015	2014
Unrecognized prior service credit	$18,442	$19,863
Unrecognized net actuarial loss	(74,524)	(65,073)
Tax effect	17,260	12,805
Amount recognized in accumulated other comprehensive loss, net of tax	$(38,822)	$(32,405)

The unrecognized prior service credit relates to our postretirement benefit plan and is a result of previous plan amendments that reduced the accumulated postretirement benefit obligation. A reduction is first used to reduce any existing unrecognized prior service cost, then to reduce any remaining unrecognized transition obligation. The excess is the unrecognized prior service credit. The prior service credit is being amortized on the straight-line basis over a weighted-average period of 21 years. The amortization period for the prior service credit is the average remaining life expectancy of plan participants at the time of the plan amendment.

The unrecognized net actuarial loss resulted from experience different from that assumed and from changes in assumptions. Unrecognized actuarial gains and losses for our postretirement benefit plan are being amortized over the average remaining life expectancy of inactive plan participants, as a large percentage of the plan participants are classified as inactive. This amortization period is currently 16.5 years.

Amounts included in accumulated other comprehensive loss as of December 31, 2015 that we expect to recognize in postretirement benefit income during 2016 are as follows:

(in thousands)	Amounts expected to be recognized
Prior service credit	$(1,421)
Net actuarial loss	3,797
Total	$2,376

Postretirement benefit income – Postretirement benefit income for the years ended December 31 consisted of the following components:

(in thousands)	2015	2014	2013

Interest cost	$3,437	$4,553	$3,652
Expected return on plan assets	(7,833)	(8,734)	(8,030)
Amortization of prior service credit	(1,421)	(1,421)	(1,421)
Amortization of net actuarial losses	3,120	3,418	4,439
Net periodic benefit income	$(2,697)	$(2,184)	$(1,360)

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Actuarial assumptions – In measuring benefit obligations as of December 31, the following discount rate assumptions were used:

	Postretirement benefit plan				Pension plan			
	2015		2014		2015		2014	
Discount rate	4.02	%	3.45	%	3.88	%	3.45	%

In measuring net periodic benefit income for the years ended December 31, the following assumptions were used:

	2015		2014		2013	
Discount rate	3.45	%	4.25	%	3.15	%
Expected return on plan assets	6.50	%	6.75	%	6.75	%

The discount rate assumption is based on the rates of return on high-quality, fixed-income instruments currently available whose cash flows approximate the timing and amount of expected benefit payments. In determining the discount rate used in measuring net periodic benefit income for 2015, we utilized the Aon Hewitt AA Above Median Curve and the Citigroup Pension Discount yield curves to discount each cash flow stream at an interest rate specifically applicable to the timing of each respective cash flow. The present value of each cash flow stream was aggregated and used to impute a weighted-average discount rate.

Effective December 31, 2015, we changed the method we use to determine the discount rate used in calculating the interest component of net periodic benefit income. Instead of using a single weighted-average discount rate, we elected to utilize a full yield curve approach by applying separate discount rates to each future projected benefit payment based on time until payment. We made this change to provide a more precise measurement of interest costs by improving the correlation between projected cash flows and the corresponding yield curve rates. This change does not affect the measurement of our total benefit obligation, but is expected to reduce the interest component of net periodic benefit income $881 in 2016. This is a change in accounting estimate, and accordingly, we are accounting for it on a prospective basis.

In determining the expected long-term rate of return on plan assets, we utilize our historical returns and then adjust these returns for estimated inflation and projected market returns. Our inflation assumption is primarily based on analysis of historical inflation data.

In measuring benefit obligations as of December 31 for our postretirement benefit plan, the following assumptions for health care cost trend rates were used:

	2015				2014				2013			
	Participants under age 65		Participants age 65 and older		Participants under age 65		Participants age 65 and older		Participants under age 65		Participants age 65 and older	
Health care cost trend rate assumed for next year	7.25	%	6.75	%	7.50	%	7.00	%	7.75	%	7.25	%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00	%	5.00	%	5.00	%	5.00	%	5.00	%	5.00	%
Year that the rate reaches the ultimate trend rate	2026		2024		2021		2020		2021		2020	

Assumed health care cost trend rates have an effect on the amounts reported for health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:
(in thousands)

	One percentage point increase	One percentage point decrease
Effect on total of service and interest cost	$65	$(61)
Effect on benefit obligation	1,614	(1,513)

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Plan assets – The allocation of plan assets by asset category as of December 31 was as follows:

	Postretirement benefit plan	
	2015	2014
U.S. large capitalization equity securities	33 %	33 %
International equity securities	18 %	18 %
Mortgage-backed securities	17 %	14 %
U.S. corporate debt securities	15 %	14 %
Government debt securities	10 %	14 %
U.S. small and mid-capitalization equity securities	7 %	7 %
Total	100 %	100 %

Our postretirement benefit plan has assets that are intended to meet long-term obligations. In order to meet these obligations, we employ a total return investment approach that considers cash flow needs and balances long-term projected returns against expected asset risk, as measured using projected standard deviations. Risk tolerance is established through consideration of projected plan liabilities, the plan's funded status, projected liquidity needs and current corporate financial condition.

The target asset allocation percentages for our postretirement benefit plan are based on our liability and asset projections. The targeted allocation of plan assets is 33% large capitalization equity securities, 42% fixed income securities, 18% international equity securities and 7% small and mid-capitalization equity securities.

Information regarding fair value measurements of plan assets was as follows:

		Fair value measurements using		
	Fair value as of December 31, 2015	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs
(in thousands)		(Level 1)	(Level 2)	(Level 3)
U.S. large capitalization equity securities	$38,629	$—	$38,629	$—
International equity securities	21,209	20,520	689	—
Mortgage-backed securities	20,157	—	20,157	—
U.S. corporate debt securities	16,974	—	16,974	—
Government debt securities	11,808	—	11,808	—
U.S. small and mid-capitalization equity securities	8,095	6,799	1,296	—
Other debt securities	262	149	113	—
Total	$117,134	$27,468	$89,666	$—

(in thousands)	Fair value as of December 31, 2014	Fair value measurements using Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. large capitalization equity securities	$40,847	$—	$40,847	$—
International equity securities	22,416	21,823	593	—
U.S. corporate debt securities	17,823	—	17,823	—
Mortgage-backed securities	17,713	—	17,713	—
Government debt securities	17,031	—	17,031	—
U.S. small and mid-capitalization equity securities	8,702	7,090	1,612	—
Other debt securities	143	54	89	—
Total	$124,675	$28,967	$95,708	$—

The fair value of Level 2 mortgage-backed securities is estimated using pricing models with inputs derived principally from observable market data. The fair value of our other Level 2 debt securities is typically estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flow calculations that maximize observable inputs, such as current yields for similar instruments adjusted for trades and other pertinent market information. Our policy is to recognize transfers between fair value levels as of the end of the reporting period in which the transfer occurred.

Cash flows – We made no contributions to plan assets during the past three years.

We have fully funded the United States SERP obligation with investments in company-owned life insurance policies. The cash surrender value of these policies is included in long-term investments in the consolidated balance sheets and totaled $7,573 as of December 31, 2015 and $7,239 as of December 31, 2014.

The following benefit payments are expected to be paid during the years indicated:

(in thousands)	Postretirement benefit plan	Pension plan
2016	$9,565	$320
2017	9,692	320
2018	9,592	320
2019	9,141	310
2020	8,579	300
2021 - 2025	35,149	1,410

Note 13: Debt and lease obligations

Debt outstanding was comprised of the following at December 31:

(in thousands)	2015	2014
7.0% senior notes due March 15, 2019	$—	$200,000
6.0% senior notes due November 15, 2020[(1)]	195,158	191,933
Long-term portion of capital lease obligations	1,064	1,468
Long-term portion of debt	196,222	393,401
Amount drawn on credit facility	434,000	160,000

Capital lease obligations due within one year	1,045	911
Total debt	$631,267	$554,312

[1] Includes decrease due to cumulative change in fair value of hedged debt of $4,842 as of December 31, 2015 and $8,067 as of December 31, 2014.

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Our senior notes due in 2020 include covenants that place certain restrictions on the issuance of additional debt and limitations on certain liens. If our ratio of earnings before interest, taxes, depreciation and amortization (EBITDA) to interest expense, as defined in such instruments, falls below two to one, there would be additional limitations on our ability to issue additional debt. The notes due in 2020 also include limitations on our ability to issue redeemable stock and preferred stock, make loans and investments, and consolidate, merge or sell all or substantially all of our assets. Absent certain defined events of default under our debt instruments, and as long as our ratio of EBITDA to interest expense is in excess of two to one, our debt covenants do not restrict our ability to pay cash dividends at our current rate. There are currently no limitations on the amount of dividends and share repurchases under the terms of our credit facility agreement. However, if our leverage ratio, defined as total debt less unrestricted cash to EBITDA, should exceed 2.75 to one, there would be an annual limitation on the amount of dividends and share repurchases under the terms of this agreement.

Long-term debt – In November 2012, we issued $200,000 of 6.0% senior notes maturing on November 15, 2020. The notes were issued via a private placement under Rule 144A of the Securities Act of 1933. These notes were subsequently registered with the Securities and Exchange Commission (SEC) via a registration statement that became effective on April 3, 2013. Interest payments are due each May and November. The notes are guaranteed by certain of our subsidiaries and place a limitation on restricted payments, including share repurchases and increases in dividend levels. The limitation on restricted payments does not apply if the notes are upgraded to an investment-grade credit rating. Financial information for the guarantor subsidiaries can be found in Note 17. At any time prior to November 15, 2016, we may redeem some or all of the notes at a price equal to 100% of the principal amount plus accrued and unpaid interest and a make-whole premium. At any time on or after November 15, 2016, we may redeem some or all of the notes at prices ranging from 100% to 103% of the principal amount. If at any time we sell certain of our assets or experience specific types of changes in control, we must offer to purchase all of the outstanding notes at 101% of the principal amount. We classify payments for early redemption premiums as financing activities in our consolidated statements of cash flows. Proceeds from the offering, net of offering costs, were $196,340. These proceeds were used to retire our senior notes that were due in June 2015. The fair value of the notes issued in November 2012 was $207,000 as of December 31, 2015, based on quoted prices that are directly observable. As discussed in Note 6, we have entered into interest rate swaps to hedge these notes.

In March 2011, we issued $200,000 of 7.0% senior notes that were scheduled to mature on March 15, 2019. The notes were issued via a private placement under Rule 144A of the Securities Act of 1933. These notes were subsequently registered with the SEC via a registration statement that became effective on January 10, 2012. Proceeds from the offering, net of offering costs, were $196,195. These proceeds were used to retire a portion of our senior, unsecured notes due in 2012. In March 2015, we retired all of these notes, realizing a loss on early debt extinguishment of $8,917 during 2015, consisting of a contractual call premium and the write-off of related debt issuance costs. This retirement was funded utilizing our credit facility and a short-term bank loan that we have since repaid.

Short-term borrowings – In March 2015, we entered into a $75,000 short-term variable rate bank loan that was required to be repaid by March 2016. Proceeds from this loan, net of related costs, were $74,880 and were used, along with a draw on our credit facility, to retire all $200,000 of our 7.0% senior notes that were scheduled to mature on March 15, 2019. During December 2015, we elected to repay this loan in full.

As of December 31, 2015, we had a $525,000 credit facility, which is scheduled to expire in February 2019. As of December 31, 2014, the commitment under this credit facility was $350,000. In conjunction with the acquisition of Datamyx LLC in October 2015 (Note 5), we exercised our right to increase the size of our existing credit facility to $525,000. Our quarterly commitment fee ranges from 0.20% to 0.40% based on our leverage ratio. Borrowings under the credit facility are collateralized by substantially all of our personal and intangible property. As of December 31, 2015, $434,000 was drawn on our credit facility at a weighted-average interest rate of 1.89%. As of December 31, 2014, $160,000 was drawn on our credit facility at a weighted-average interest rate of 1.63%.

The credit agreement governing our credit facility contains customary covenants regarding limits on levels of subsidiary indebtedness and capital expenditures, liens, investments, acquisitions, certain mergers, certain asset sales outside the ordinary course of business, and change in control as defined in the agreement. The agreement also contains financial covenants regarding our leverage ratio, interest coverage and liquidity.

No amounts were borrowed under our credit facility during 2013. Daily average amounts outstanding under our short-term borrowing arrangements during 2015 and 2014 were as follows:

(in thousands)	2015		2014	
Short-term bank loan:				
Daily average amount outstanding	$47,178		$—	
Weighted-average interest rate	1.59	%	—	
Credit facility:				
Daily average amount outstanding	$270,063		$43,675	
Weighted-average interest rate	1.66	%	1.63	%

As of December 31, 2015, amounts were available for borrowing under our credit facility as follows:

(in thousands)	Total available	
Credit facility commitment	$525,000	
Amount drawn on credit facility	(434,000	)
Outstanding letters of credit[1]	(12,726	)
Net available for borrowing as of December 31, 2015	$78,274	

[1] We use standby letters of credit primarily to collateralize certain obligations related to our self-insured workers' compensation claims, as well as claims for environmental matters, as required by certain states. These letters of credit reduce the amount available for borrowing under our credit facility.

Lease obligations – We had capital lease obligations of $2,109 as of December 31, 2015 and $2,379 as of December 31, 2014 related to information technology hardware. The lease obligations will be paid through October 2019. The related assets are included in property, plant and equipment in the consolidated balance sheets. Depreciation of the leased assets is included in depreciation expense in the consolidated statements of cash flows. A portion of the leased assets have not yet been placed in service. The balance of those leased assets placed in service as of December 31 was as follows:

(in thousands)	2015		2014	
Machinery and equipment	$4,193		$2,911	
Accumulated depreciation	(1,942	)	(926	)
Net assets under capital leases	$2,251		$1,985	

In addition to capital leases, we also have operating leases on certain facilities and equipment. Rental expense was $15,372 for 2015, $13,099 for 2014 and $11,855 for 2013. As of December 31, 2015, future minimum lease payments under our capital lease obligations and noncancelable operating leases with terms in excess of one year were as follows:

(in thousands)	Capital lease obligations		Operating lease obligations
2016	$1,078		$6,626
2017	731		5,318
2018	303		3,642
2019	47		2,979
2020	—		1,216
Thereafter	—		2,389
Total minimum lease payments	2,159		$22,170
Less portion representing interest	(50	)	
Present value of minimum lease payments	$2,109		

Note 14: Other commitments and contingencies

Indemnifications – In the normal course of business, we periodically enter into agreements that incorporate general indemnification language. These indemnifications encompass third-party claims arising from our products and services, including service failures, breach of security, intellectual property rights, governmental regulations and/or employment-related matters.

Performance under these indemnities would generally be triggered by our breach of the terms of the contract. In disposing of assets or businesses, we often provide representations, warranties and/or indemnities to cover various risks including, for example, unknown damage to the assets, environmental risks involved in the sale of real estate, liability to investigate and remediate environmental contamination at waste disposal sites and manufacturing facilities, and unidentified tax liabilities and legal fees related to periods prior to disposition. We do not have the ability to estimate the potential liability from such indemnities because they relate to unknown conditions. However, we do not believe that any liability under these indemnities would have a material adverse effect on our financial position, annual results of operations or annual cash flows. We have recorded liabilities for known indemnifications related to environmental matters.

Environmental matters – We are currently involved in environmental compliance, investigation and remediation activities at some of our current and former sites, primarily printing facilities of our Financial Services and Small Business Services segments that have been sold. Remediation costs are accrued on an undiscounted basis when the obligations are either known or considered probable and can be reasonably estimated. Remediation or testing costs that result directly from the sale of an asset and which we would not have otherwise incurred are considered direct costs of the sale of the asset. As such, they are included in our measurement of the carrying value of the asset sold.

Accruals for environmental matters were $5,952 as of December 31, 2015 and $7,942 as of December 31, 2014, primarily related to facilities that have been sold. These accruals are included in accrued liabilities and other non-current liabilities in the consolidated balance sheets. Accrued costs consist of direct costs of the remediation activities, primarily fees that will be paid to outside engineering and consulting firms. Although recorded accruals include our best estimates, our total costs cannot be predicted with certainty due to various factors, such as the extent of corrective action that may be required, evolving environmental laws and regulations and advances in environmental technology. Where the available information is sufficient to estimate the amount of the liability, that estimate is used. Where the information is only sufficient to establish a range of probable liability and no point within the range is more likely than any other, the lower end of the range is recorded. We do not believe that the range of possible outcomes could have a material effect on our financial condition, results of operations or liquidity. Expense reflected in our consolidated statements of income for environmental matters was $1,142 for 2015, $1,079 for 2014 and $1,169 for 2013.

We purchased an insurance policy during 2002 that covers up to $12,911 of remediation costs, of which $12,884 had been paid through December 31, 2015. The insurance policy also covers up to $10,000 of third-party claims through 2032 at certain owned, leased and divested sites, as well as any conditions discovered at certain owned or leased sites through 2012. No accruals have been recorded in our consolidated financial statements related to this $10,000 of coverage. We also have an additional environmental site liability insurance policy providing coverage on facilities that we acquired subsequent to 2002. This policy covers liability for claims of bodily injury or property damage arising from pollution events at the covered facilities. The policy also provides remediation coverage should we be required by a governing authority to perform remediation activities at the covered sites. The policy provides coverage of up to $15,000 through April 2019. No accruals have been recorded in our consolidated financial statements for any of the events contemplated in this insurance policy. We do not anticipate significant net cash outlays for environmental matters within the next five years.

Self-insurance – We are self-insured for certain costs, primarily workers' compensation claims and medical and dental benefits for active employees and those employees on long-term disability. The liabilities associated with these items represent our best estimate of the ultimate obligations for reported claims plus those incurred, but not reported, and totaled $6,457 as of December 31, 2015 and $6,401 as of December 31, 2014. Our workers' compensation liability is accounted for on a present value basis. The difference between the discounted and undiscounted liability was not significant as of December 31, 2015 or December 31, 2014.

Our self-insurance liabilities are estimated, in part, by considering historical claims experience, demographic factors and other actuarial assumptions. The estimated accruals for these liabilities could be significantly affected if future events and claims differ from these assumptions and historical trends.

Litigation – On September 2, 2014, one of our suppliers filed a petition for binding arbitration under the Commercial Rules of the American Arbitration Association, alleging that they are entitled to additional payment from us under our reseller agreement. They are seeking damages of up to approximately $43,000. The arbitration hearing has been concluded and the parties completed their post-hearing briefs and other submissions on February 5, 2016. We expect the arbitrator to render a decision in March 2016. We have not recorded a liability for damages in connection with this matter because any potential loss is not currently probable or reasonably estimable under generally accepted accounting principles in the United States. Additionally, we cannot reasonably estimate the range of loss, if any, that may result from this matter.

Recorded liabilities for legal matters were not material to our financial position, results of operations or liquidity, and we do not believe that any of the currently identified claims or litigation will materially affect our financial position, results of operations or liquidity upon resolution. However, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. If an unfavorable ruling were to occur, it may cause a material adverse impact on our financial position, results of operations or liquidity for the period in which the ruling occurs or future periods.

Note 15: Shareholders’ equity

Common shares repurchased – We have an outstanding authorization from our board of directors to purchase up to 10,000 shares of our common stock. This authorization has no expiration date, and 966 shares remained available for purchase under this authorization as of December 31, 2015. During 2015, we repurchased 996 shares for $59,952, during 2014 we repurchased 1,133 shares for $60,119 and during 2013 we repurchased 1,162 shares for $48,798.

Common stock purchase rights – In February 1988, we adopted a shareholder rights plan under which common stock purchase rights automatically attach to each share of common stock we issue. The rights plan is governed by a rights agreement between us and Wells Fargo Bank, National Association, as rights agent. This agreement was most recently amended and restated as of December 20, 2006 (Restated Agreement).

Pursuant to the Restated Agreement, upon the occurrence of certain events, each right will entitle the holder to purchase one share of common stock at an exercise price of $100 per share. The exercise price may be adjusted from time to time upon the occurrence of certain events outlined in the Restated Agreement. In certain circumstances described in the Restated Agreement, if (i) any person becomes the beneficial owner of 20% or more of the company's common stock, (ii) the company is acquired in a merger or other business combination or (iii) upon the occurrence of other events, each right will entitle its holder to purchase a number of shares of common stock of the company, or the acquirer or the surviving entity if the company is not the surviving corporation in such a transaction. The number of shares purchasable at the then-current exercise price will be equal to the exercise price of the right divided by 50% of the then-current market price of one share of common stock of the company, or other surviving entity, subject to adjustments provided in the Restated Agreement. The rights expire December 31, 2016, and may be redeemed by the company at a price of $0.01 per right at any time prior to the occurrence of the circumstances described above.

Note 16: Business segment information

We operate three reportable business segments: Small Business Services, Financial Services and Direct Checks. Our business segments are generally organized by type of customer served and reflect the way we manage the company. Small Business Services promotes and sells products and services to small businesses via direct response mail and internet advertising; referrals from financial institutions, telecommunications clients and other partners; Safeguard distributors; a network of independent local dealers; a direct sales force that focuses on selling to and through major accounts; and an outbound telemarketing group. Financial Services' products and services are sold primarily through a direct sales force, which executes product and service supply contracts with our financial institution clients nationwide, including banks, credit unions and financial services companies. In the case of check supply contracts, once the financial institution relationship is established, consumers may submit their check orders through their financial institution or over the phone or internet. Direct Checks sells products and services directly to consumers using direct marketing, including print advertising and search engine marketing and optimization strategies. All three segments operate primarily in the United States. Small Business Services also has operations in Canada and portions of Europe. No single customer accounted for more than 10% of revenue during the past three years.

Effective January 1, 2015, two company-owned small business distributors were no longer managed as part of our Small Business Services segment. Because their customers consist primarily of financial institutions, we concluded that the businesses would be better positioned for long-term growth if they were managed as part of our Financial Services segment. As such, the results of operations of these businesses were included in the Financial Services segment beginning in 2015. Our business segment results for prior periods have been restated to reflect this change. In 2014, revenue for these businesses was $22,745 and operating income was $1,109. In 2013, revenue for these businesses was $13,982 and operating income was $468.

Our product and service offerings are comprised of the following:

Checks – We remain one of the largest providers of checks in the United States. During 2015, checks represented 40.1% of our Small Business Services segment's revenue, 59.7% of our Financial Services segment's revenue and 84.6% of our Direct Checks segment's revenue.

Marketing solutions and other services – We offer products and services that help small businesses and/or financial institutions promote their businesses and acquire customers, as well as various other service offerings. Our Small Business Services segment offers services designed to fulfill the marketing and sales needs of small businesses, including logo and web design, hosting and other web services; search engine optimization; marketing programs, including email, mobile, social media and other self-service marketing solutions; and digital printing services. In addition, Small Business Services offers specialized services, including fraud protection and security, payroll services and electronic checks, as well as promotional solutions such as postcards, brochures, retail packaging supplies, apparel, greeting cards and business cards. Financial Services offers a suite of financial technology ("FinTech") solutions focused on enabling financial institutions to better manage the customer life cycle for their retail and commercial customers. These FinTech offerings include outsourced marketing campaign targeting and execution, digital channel onboarding, loyalty and rewards, technology-enabled treasury services, financial performance management, and fraud protection and security services. Our Direct Checks segment provides fraud protection and security services, as well as package insert programs under which third parties' marketing materials are included in our check packages.

Forms – Our Small Business Services segment provides printed forms to small businesses, including deposit tickets, billing forms, work orders, job proposals, purchase orders, invoices and personnel forms. This segment also offers computer forms compatible with accounting software packages commonly used by small businesses. Forms sold by our Financial Services and Direct Checks segments include deposit tickets and check registers.

Accessories and other products – Small Business Services offers products designed to provide small business owners with the customized documents necessary to efficiently manage their business, including envelopes, office supplies, stamps and labels. Our Financial Services and Direct Checks segments offer checkbook covers and stamps.

The accounting policies of the segments are the same as those described in Note 1. We allocate corporate costs for our shared services functions to our business segments, including costs of our executive management, human resources, supply chain, finance, information technology and legal functions. Generally, where costs incurred are directly attributable to a business segment, primarily within the areas of information technology, supply chain and finance, those costs are charged directly to that segment. Because we use a shared services approach for many of our functions, certain costs are not directly attributable to a business segment. These costs are allocated to our business segments based on segment revenue, as revenue is a measure of the relative size and magnitude of each segment and indicates the level of corporate shared services consumed by each segment. Corporate assets are not allocated to the segments and consist of property, plant and equipment; internal-use software; and inventories and supplies related to our corporate shared services functions of manufacturing, information technology and real estate, as well as long-term investments. Depreciation and amortization expense related to corporate assets, which was allocated to the segments, was $32,505 in 2015, $34,801 in 2014 and $37,893 in 2013.

We are an integrated enterprise, characterized by substantial intersegment cooperation, cost allocations and the sharing of assets. Therefore, we do not represent that these segments, if operated independently, would report the operating income and other financial information shown.

The following is our segment information as of and for the years ended December 31:

		Reportable Business Segments				
(in thousands)		Small Business Services	Financial Services	Direct Checks	Corporate	Consolidated
Total revenue from external customers:	2015	$1,151,916	$455,390	$165,511	$—	$1,772,817
	2014	1,106,505	391,129	176,448	—	1,674,082
	2013	1,036,268	357,142	191,414	—	1,584,824
Operating income:	2015	203,933	91,539	58,859	—	354,331
	2014	187,226	87,908	57,499	—	332,633
	2013	175,420	82,811	59,683	—	317,914
Depreciation and amortization expense:	2015	45,513	26,807	4,380	—	76,700
	2014	44,418	14,675	6,749	—	65,842
	2013	45,329	11,231	7,913	—	64,473
Asset impairment charges:	2015	—	—	—	—	—
	2014	6,468	—	—	—	6,468
	2013	5,000	—	—	—	5,000
Total assets:	2015	995,445	435,632	161,987	251,338	1,844,402
	2014	949,521	274,086	164,171	300,613	1,688,391
	2013	942,048	111,432	167,283	348,766	1,569,529

Capital asset purchases:	2015	—	—	—	43,261	43,261
	2014	—	—	—	41,119	41,119
	2013	—	—	—	37,459	37,459

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Revenue by product and service category for the years ended December 31 was as follows:

(in thousands)	2015	2014	2013
Checks	$873,298	$870,910	$884,605
Marketing solutions and other services	532,465	427,098	343,006
Forms	215,663	216,842	200,560
Accessories and other products	151,391	159,232	156,653
Total revenue	$1,772,817	$1,674,082	$1,584,824

The following information for the years ended December 31 is based on the geographic locations of our subsidiaries:

(in thousands)	2015	2014	2013
Total revenue from external customers:			
United States	$1,701,566	$1,593,898	$1,501,176
Foreign, primarily Canada	71,251	80,184	83,648
Total revenue	$1,772,817	$1,674,082	$1,584,824

Substantially all of our long-lived assets reside in the United States. Long-lived assets of our foreign subsidiaries are located primarily in Canada and are not significant to our consolidated financial position.

Note 17: Supplemental guarantor financial information

Our long-term notes due in 2020 (Note 13), as well as obligations under our credit facility, are jointly and severally guaranteed on a full and unconditional basis, subject to the release provisions described herein, by certain 100%-owned subsidiaries. The subsidiary guarantees with respect to our long-term notes are subject to release upon the occurrence of certain events: the sale of all or substantially all of a subsidiary's assets, when the requirements for defeasance of the guaranteed securities have been satisfied, when the subsidiary is declared an unrestricted subsidiary, or upon satisfaction and discharge of the indenture.

The following condensed supplemental consolidating financial information reflects the summarized financial information of Deluxe Corporation, the guarantors on a combined basis and the non-guarantor subsidiaries on a combined basis. Separate financial statements of the guarantors are not presented because the guarantors are jointly, severally, fully and unconditionally liable under the guarantees, subject to the release provisions described herein, and we believe that the condensed consolidating financial statements presented are sufficient to provide an understanding of the financial position, results of operations and cash flows of the guarantors.

We are an integrated enterprise, characterized by substantial intersegment cooperation, cost allocations and the sharing of assets. Therefore, we do not represent that the financial information presented is indicative of the financial position, results of operations or cash flows that the entities would have reported if they had operated independently. The condensed consolidating financial statements should be read in conjunction with our consolidated financial statements.

Deluxe Corporation
Condensed Consolidating Balance Sheet

(in thousands)	December 31, 2015 Deluxe Corporation	Guarantor subsidiaries	Non-guarantor subsidiaries	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$5,187	$940	$56,422	$(122)	$62,427
Trade accounts receivable, net	—	115,951	7,703	—	123,654
Inventories and supplies	—	39,758	2,198	—	41,956
Funds held for customers	—	—	53,343	—	53,343
Other current assets	9,233	32,765	2,610	—	44,608
Total current assets	14,420	189,414	122,276	(122)	325,988
Deferred income taxes	13,498	—	1,238	(13,498)	1,238
Long-term investments	34,304	7,387	—	—	41,691
Property, plant and equipment, net	10,111	71,017	4,604	—	85,732
Assets held for sale	—	—	13,969	—	13,969
Intangibles, net	9,066	273,051	3,194	—	285,311
Goodwill	—	974,973	1,442	—	976,415
Investments in consolidated subsidiaries	1,248,549	81,099	—	(1,329,648)	—
Intercompany receivable	99,506	—	—	(99,506)	—
Other non-current assets	6,107	107,767	184	—	114,058
Total assets	$1,435,561	$1,704,708	$146,907	$(1,442,774)	$1,844,402
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$15,625	$69,809	$2,263	$(122)	$87,575
Accrued liabilities	23,567	148,279	56,577	—	228,423
Short-term borrowings	434,000	—	—	—	434,000
Long-term debt due within one year	1,026	—	19	—	1,045
Total current liabilities	474,218	218,088	58,859	(122)	751,043
Long-term debt	196,191	—	31	—	196,222
Deferred income taxes	—	94,574	—	(13,498)	81,076
Intercompany payable	—	98,365	1,141	(99,506)	—
Other non-current liabilities	20,083	45,132	5,777	—	70,992
Total shareholders' equity	745,069	1,248,549	81,099	(1,329,648)	745,069
Total liabilities and shareholders' equity	$1,435,561	$1,704,708	$146,907	$(1,442,774)	$1,844,402

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Deluxe Corporation
Condensed Consolidating Balance Sheet

(in thousands)	December 31, 2014 Deluxe Corporation	Guarantor subsidiaries	Non-guarantor subsidiaries	Eliminations	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$8,335	$4,342	$52,193	$(3,329)	$61,541
Trade accounts receivable, net	—	100,197	13,459	—	113,656
Inventories and supplies	—	34,097	5,314	—	39,411
Deferred income taxes	8,929	1,182	48	—	10,159
Funds held for customers	—	—	43,604	—	43,604
Other current assets	8,538	38,912	3,069	—	50,519
Total current assets	25,802	178,730	117,687	(3,329)	318,890
Deferred income taxes	660	—	1,411	(660)	1,411
Long-term investments	38,623	7,828	—	—	46,451
Property, plant and equipment, net	4,868	76,306	6,449	—	87,623
Assets held for sale	—	3,102	23,717	—	26,819
Intangibles, net	987	203,967	2,226	—	207,180
Goodwill	—	866,659	1,717	—	868,376
Investments in consolidated subsidiaries	1,268,918	90,960	—	(1,359,878)	—
Intercompany receivable	—	82,758	536	(83,294)	—
Other non-current assets	9,675	121,549	417	—	131,641
Total assets	$1,349,533	$1,631,859	$154,160	$(1,447,161)	$1,688,391
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$13,792	$73,380	$3,373	$(3,329)	$87,216
Accrued liabilities	26,278	141,816	51,027	—	219,121
Short-term borrowings	160,000	—	—	—	160,000
Long-term debt due within one year	903	—	8	—	911
Total current liabilities	200,973	215,196	54,408	(3,329)	467,248
Long-term debt	393,387	—	14	—	393,401
Deferred income taxes	—	96,498	—	(660)	95,838
Intercompany payable	83,294	—	—	(83,294)	—
Other non-current liabilities	24,382	51,247	8,778	—	84,407
Total shareholders' equity	647,497	1,268,918	90,960	(1,359,878)	647,497
Total liabilities and shareholders' equity	$1,349,533	$1,631,859	$154,160	$(1,447,161)	$1,688,391

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Deluxe Corporation
Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2015				
(in thousands)	Deluxe Corporation	Guarantor subsidiaries	Non-guarantor subsidiaries	Eliminations	Total
Product revenue	$—	$1,378,579	$73,415	$—	$1,451,994
Service revenue	113,226	299,484	26,433	(118,320)	320,823
Total revenue	113,226	1,678,063	99,848	(118,320)	1,772,817
Cost of products	—	(489,590)	(36,717)	—	(526,307)
Cost of services	(120,575)	(105,824)	(7,987)	121,484	(112,902)
Total cost of revenue	(120,575)	(595,414)	(44,704)	121,484	(639,209)
Gross profit	(7,349)	1,082,649	55,144	3,164	1,133,608
Operating expenses	—	(737,600)	(38,513)	(3,164)	(779,277)
Operating (loss) income	(7,349)	345,049	16,631	—	354,331
Loss on early debt extinguishment	(8,917)	—	—	—	(8,917)
Interest expense	(19,516)	(11,355)	(2)	10,574	(20,299)
Other income	10,556	1,978	872	(10,574)	2,832
(Loss) income before income taxes	(25,226)	335,672	17,501	—	327,947
Income tax benefit (provision)	15,324	(119,951)	(4,691)	—	(109,318)
(Loss) income before equity in earnings of consolidated subsidiaries	(9,902)	215,721	12,810	—	218,629
Equity in earnings of consolidated subsidiaries	228,531	12,810	—	(241,341)	—
Net income	$218,629	$228,531	$12,810	$(241,341)	$218,629
Comprehensive income	$199,764	$210,558	$362	$(210,920)	$199,764

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Deluxe Corporation
Condensed Consolidating Statement of Comprehensive Income

(in thousands)	Year Ended December 31, 2014 Deluxe Corporation	Guarantor subsidiaries	Non-guarantor subsidiaries	Eliminations	Total
Product revenue	$—	$1,311,729	$99,129	$—	$1,410,858
Service revenue	78,019	237,712	30,047	(82,554)	263,224
Total revenue	78,019	1,549,441	129,176	(82,554)	1,674,082
Cost of products	—	(449,603)	(52,268)	—	(501,871)
Cost of services	(83,982)	(95,776)	(9,693)	85,044	(104,407)
Total cost of revenue	(83,982)	(545,379)	(61,961)	85,044	(606,278)
Gross profit	(5,963)	1,004,062	67,215	2,490	1,067,804
Operating expenses	—	(677,767)	(47,711)	(2,490)	(727,968)
Asset impairment charge	—	(6,468)	—	—	(6,468)
Net loss on sale of facility	—	(735)	—	—	(735)
Operating (loss) income	(5,963)	319,092	19,504	—	332,633
Interest expense	(36,368)	(12,157)	—	11,996	(36,529)
Other income	9,976	2,496	601	(11,996)	1,077
(Loss) income before income taxes	(32,355)	309,431	20,105	—	297,181
Income tax benefit (provision)	17,445	(109,289)	(5,543)	—	(97,387)
(Loss) income before equity in earnings of consolidated subsidiaries	(14,910)	200,142	14,562	—	199,794
Equity in earnings of consolidated subsidiaries	214,704	14,562	—	(229,266)	—
Net income	$199,794	$214,704	$14,562	$(229,266)	$199,794
Comprehensive income	$196,880	$210,756	$8,398	$(219,154)	$196,880

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Deluxe Corporation
Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2013				
(in thousands)	Deluxe Corporation	Guarantor subsidiaries	Non-guarantor subsidiaries	Eliminations	Total
Product revenue	$—	$1,293,257	$76,454	$—	$1,369,711
Service revenue	9,042	188,767	34,962	(17,658)	215,113
Total revenue	9,042	1,482,024	111,416	(17,658)	1,584,824
Cost of products	—	(429,432)	(34,055)	—	(463,487)
Cost of services	(7,597)	(85,693)	(12,532)	8,193	(97,629)
Total cost of revenue	(7,597)	(515,125)	(46,587)	8,193	(561,116)
Gross profit	1,445	966,899	64,829	(9,465)	1,023,708
Operating expenses	—	(664,218)	(46,041)	9,465	(700,794)
Asset impairment charge	—	(5,000)	—	—	(5,000)
Operating income	1,445	297,681	18,788	—	317,914
Interest expense	(38,236)	(8,442)	(3)	8,380	(38,301)
Other income	7,283	2,027	516	(8,380)	1,446
(Loss) income before income taxes	(29,508)	291,266	19,301	—	281,059
Income tax benefit (provision)	16,597	(105,812)	(5,192)	—	(94,407)
(Loss) income before equity in earnings of consolidated subsidiaries	(12,911)	185,454	14,109	—	186,652
Equity in earnings of consolidated subsidiaries	199,563	14,109	—	(213,672)	—
Net income	$186,652	$199,563	$14,109	$(213,672)	$186,652
Comprehensive income	$193,875	$205,595	$9,862	$(215,457)	$193,875

Deluxe Corporation
Condensed Consolidating Statement of Cash Flows

(in thousands)	Year Ended December 31, 2015 Deluxe Corporation	Guarantor subsidiaries	Non-guarantor subsidiaries	Eliminations	Total
Net cash provided by operating activities	$2,467	$285,962	$16,297	$3,207	$307,933
Cash flows from investing activities:					
Purchases of capital assets	(3,447)	(37,158)	(2,656)	—	(43,261)
Payments for acquisitions, net of cash acquired	(26)	(212,964)	—	—	(212,990)
Proceeds from company-owned life insurance policies	3,973	—	—	—	3,973
Other	(488)	1,610	16	—	1,138
Net cash provided (used) by investing activities	12	(248,512)	(2,640)	—	(251,140)
Cash flows from financing activities:					
Net proceeds from short-term borrowings	274,000	—	—	—	274,000
Payments on long-term debt, including costs of debt reacquisition	(208,045)	—	(17)	—	(208,062)
Payments for debt issue costs	(749)	—	—	—	(749)
Proceeds from issuing shares under employee plans	5,895	—	—	—	5,895
Excess tax benefit from share-based employee awards	2,244	—	—	—	2,244
Payments for common shares repurchased	(59,952)	—	—	—	(59,952)
Cash dividends paid to shareholders	(59,755)	—	—	—	(59,755)
Advances from (to) consolidated subsidiaries	40,735	(40,692)	(43)	—	—
Other	—	(160)	(150)	—	(310)
Net cash used by financing activities	(5,627)	(40,852)	(210)	—	(46,689)
Effect of exchange rate change on cash	—	—	(9,218)	—	(9,218)
Net change in cash and cash equivalents	(3,148)	(3,402)	4,229	3,207	886
Cash and cash equivalents, beginning of year	8,335	4,342	52,193	(3,329)	61,541
Cash and cash equivalents, end of year	$5,187	$940	$56,422	$(122)	$62,427

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Deluxe Corporation
Condensed Consolidating Statement of Cash Flows

(in thousands)	Year Ended December 31, 2014 Deluxe Corporation	Guarantor subsidiaries	Non-guarantor subsidiaries	Eliminations	Total
Net cash (used) provided by operating activities	$(12,298)	$278,281	$14,638	$(226)	$280,395
Cash flows from investing activities:					
Purchases of capital assets	(1,269)	(38,118)	(1,732)	—	(41,119)
Payments for acquisitions, net of cash acquired	(89,824)	(15,205)	—	—	(105,029)
Proceeds from company-owned life insurance policies	897	—	—	—	897
Proceeds from sale of facility	—	8,451	—	—	8,451
Other	(432)	1,175	14	—	757
Net cash used by investing activities	(90,628)	(43,697)	(1,718)	—	(136,043)
Cash flows from financing activities:					
Net proceeds from short-term borrowings	160,000	(125)	—	—	159,875
Payments on long-term debt, including costs of debt reacquisition	(254,376)	(20)	(7)	—	(254,403)
Payments for debt issue costs	(1,085)	—	—	—	(1,085)
Proceeds from issuing shares under employee plans	9,148	—	—	—	9,148
Excess tax benefit from share-based employee awards	4,992	—	—	—	4,992
Payments for common shares repurchased	(60,119)	—	—	—	(60,119)
Cash dividends paid to shareholders	(57,603)	—	—	—	(57,603)
Advances from (to) consolidated subsidiaries	238,332	(236,938)	(1,394)	—	—
Other	—	(150)	—	—	(150)
Net cash provided (used) by financing activities	39,289	(237,233)	(1,401)	—	(199,345)
Effect of exchange rate change on cash	—	—	(4,555)	—	(4,555)
Net change in cash and cash equivalents	(63,637)	(2,649)	6,964	(226)	(59,548)
Cash and cash equivalents, beginning of year	71,972	6,991	45,229	(3,103)	121,089
Cash and cash equivalents, end of year	$8,335	$4,342	$52,193	$(3,329)	$61,541

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Deluxe Corporation
Condensed Consolidating Statement of Cash Flows

(in thousands)	Year Ended December 31, 2013 Deluxe Corporation	Guarantor subsidiaries	Non-guarantor subsidiaries	Eliminations	Total
Net cash (used) provided by operating activities	$(7,462)	$243,906	$24,160	$898	$261,502
Cash flows from investing activities:					
Purchases of capital assets	—	(32,659)	(4,800)	—	(37,459)
Payments for acquisitions, net of cash acquired	—	(69,709)	—	—	(69,709)
Proceeds from company-owned life insurance policies	3,641	958	—	—	4,599
Other	1,181	326	12	—	1,519
Net cash provided (used) by investing activities	4,822	(101,084)	(4,788)	—	(101,050)
Cash flows from financing activities:					
Payments on long-term debt, including costs of debt reacquisition	(224)	—	(1,331)	—	(1,555)
Payments for debt issue costs	(236)	—	—	—	(236)
Proceeds from issuing shares under employee plans	15,948	—	—	—	15,948
Excess tax benefit from share-based employee awards	3,055	—	—	—	3,055
Payments for common shares repurchased	(48,798)	—	—	—	(48,798)
Cash dividends paid to shareholders	(50,711)	—	—	—	(50,711)
Advances from (to) consolidated subsidiaries	140,716	(139,059)	(1,657)	—	—
Net cash provided (used) by financing activities	59,750	(139,059)	(2,988)	—	(82,297)
Effect of exchange rate change on cash	—	—	(2,501)	—	(2,501)
Net change in cash and cash equivalents	57,110	3,763	13,883	898	75,654
Cash and cash equivalents, beginning of year	14,862	3,228	31,346	(4,001)	45,435
Cash and cash equivalents, end of year	$71,972	$6,991	$45,229	$(3,103)	$121,089

DELUXE CORPORATION

SUMMARIZED QUARTERLY FINANCIAL DATA (Unaudited)
(in thousands, except per share amounts)

	2015 Quarter Ended			
	March 31	June 30	September 30	December 31
Total revenue	$433,617	$435,874	$439,816	$463,510
Gross profit	280,936	279,936	280,514	292,222
Net income	45,940	56,063	56,917	59,709
Earnings per share:				
Basic	0.92	1.12	1.14	1.21
Diluted	0.91	1.11	1.13	1.20
Cash dividends per share	0.30	0.30	0.30	0.30

	2014 Quarter Ended			
	March 31	June 30	September 30	December 31
Total revenue	$406,955	$405,410	$413,204	$448,513
Gross profit	262,027	259,519	263,054	283,204
Net income	47,324	50,076	44,431	57,963
Earnings per share:				
Basic	0.94	1.00	0.89	1.16
Diluted	0.93	0.99	0.88	1.16
Cash dividends per share	0.25	0.30	0.30	0.30

Significant items affecting the comparability of quarterly results were as follows:

- First quarter 2015 – pre-tax loss on early extinguishment of debt of $8,917.
- Second quarter 2015 – net pre-tax restructuring charges of $1,154 related to our cost reduction initiatives.
- Third quarter 2015 – net pre-tax restructuring charges of $1,738 related to our cost reduction initiatives.
- Fourth quarter 2015 – net pre-tax restructuring charges of $3,078 related to our cost reduction initiatives and a reduction of $1,160 in income tax expense for discrete items, primarily prior year state income tax credits.

- First quarter 2014 – net pre-tax restructuring charges of $3,532 related to our cost reduction initiatives.
- Third quarter 2014 – net pre-tax restructuring charges of $4,355 related to our cost reduction initiatives and a $6,468 pre-tax asset impairment charge related to Small Business Services intangible assets.
- Fourth quarter 2014 – a reduction of $2,282 in income tax expense for discrete items, primarily prior year state income tax credits.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures – As of the end of the period covered by this report, December 31, 2015 (the "Evaluation Date"), we carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the 1934 Act)). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in applicable rules and forms, and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting – There were no changes in our internal control over financial reporting identified in connection with our evaluation during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting – Management of Deluxe Corporation is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2015. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework (2013). Based on this assessment, we have concluded that, as of December 31, 2015, our internal control over financial reporting was effective based on those criteria. The attestation report on our internal control over financial reporting issued by PricewaterhouseCoopers LLP appears in Item 8 of this report.

Item 9B. Other Information.

None.

PART III

Except where otherwise noted, the information required by Items 10 through 14 is incorporated by reference from our definitive proxy statement, to be filed with the Securities and Exchange Commission within 120 days of our fiscal year-end, with the exception of the executive officers section of Item 10, which is included in Part I, Item 1 of this report.

Item 10. Directors, Executive Officers and Corporate Governance.

See Part I, Item 1 of this report “Executive Officers of the Registrant.” The sections of the proxy statement entitled “Item 1: Election of Directors,” “Board Structure and Governance-Audit Committee Expertise; Complaint-Handling Procedures,” “Board Structure and Governance-Meetings and Committees of the Board of Directors-Audit Committee,” “Stock Ownership and Reporting-Section 16(a) Beneficial Ownership Reporting Compliance” and “Board Structure and Governance-Code of Ethics and Business Conduct” are incorporated by reference into this report.

The full text of our Code of Ethics and Business Conduct (Code of Ethics) is posted on our investor relations website, Deluxe.com/investor, under the “Investor Relations-Corporate Governance” caption. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions by posting such information on our website at the address and location specified above.

Item 11. Executive Compensation.

The sections of the proxy statement entitled “Executive Compensation-Compensation Committee Report,” “Executive Compensation,” “Board Structure and Governance-Non-Employee Director Compensation” and “Board Structure and Governance-Compensation Committee Interlocks and Insider Participation” are incorporated by reference into this report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The section of the proxy statement entitled “Stock Ownership and Reporting-Security Ownership of Certain Beneficial Owners and Management” is incorporated by reference into this report.

The following table provides information concerning all of our equity compensation plans as of December 31, 2015:

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights		Weighted-average exercise price of outstanding options, warrants and rights		Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)	
Equity compensation plans approved by shareholders	1,641,985	(1)	$35.71	(1)	6,586,587	(2)
Equity compensation plans not approved by shareholders	—		—		—	
Total	1,641,985		$35.71		6,586,587	

(1) Includes awards granted under our 2012 Long-Term Incentive Plan and our previous stock incentive plans. The number of securities to be issued upon exercise of outstanding options, warrants and rights includes outstanding stock options of 1,353,561, restricted stock unit awards of 166,857 and shares subject to outstanding performance share awards of 121,567. The number of performance shares reflects the target amount for awards outstanding as of December 31, 2015. The actual number of shares issued under our performance share awards will range between 0% and 200% of the target amount based on our performance relative to the applicable performance goals as determined by our Compensation Committee following the end of the performance period. The performance share awards are not included in the weighted-average exercise price of outstanding options, warrants and rights presented in the table. The restricted stock unit awards require no consideration upon vesting. Therefore, these awards reduce the total weighted-average exercise price of outstanding options, warrants and rights presented in the table. The weighted-average exercise price excluding these awards is $40.11.

(2) Includes 3,623,039 shares reserved for issuance under our Amended and Restated 2000 Employee Stock Purchase Plan. Of the total available for future issuance, 2,963,548 shares remain available for issuance under our 2012 Long-Term Incentive Plan. Under this plan, full value awards such as restricted stock, restricted stock units and share-based performance awards reduce the number of shares available for issuance by a factor of 2.23, or if such an award were forfeited or terminated without delivery of the shares, the number of shares that again become eligible for issuance would be multiplied by a factor of 2.23.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The sections of the proxy entitled “Board Structure and Governance-Board Oversight and Director Independence” and “Board Structure and Governance-Related Party Transaction Policy and Procedures” are incorporated by reference into this report.

Item 14. Principal Accounting Fees and Services.

The sections of the proxy statement entitled “Fiscal Year 2015 Audit and Independent Registered Public Accounting Firm-Fees Paid to Independent Registered Public Accounting Firm” and “Fiscal Year 2015 Audit and Independent Registered Public Accounting Firm-Policy on Audit Committee Pre-Approval of Accounting Firm Fees and Services” are incorporated by reference into this report.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) Financial Statements and Schedules

The financial statements are set forth under Item 8 of the Annual Report on Form 10-K. Financial statement schedules have been omitted since they are either not required or are not applicable, or the required information is shown in the consolidated financial statements or notes.

(b) Exhibit Listing

The following exhibits are filed as part of or are incorporated into this report by reference:

Exhibit Number	Description	Method of Filing
3.1	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2010)	*
3.2	Bylaws (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed with the Commission on October 23, 2008)	*
4.1	Amended and Restated Rights Agreement, dated as of December 20, 2006, by and between us and Wells Fargo Bank, National Association, as Rights Agent, which includes as Exhibit A thereto, the Form of Rights Certificate (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the Commission on December 21, 2006)	*
4.2	Indenture, dated as of April 30, 2003, by and between us and Wells Fargo Bank Minnesota, N.A., as trustee (incorporated by reference to Exhibit 4.8 to the Registration Statement on Form S-3 (Registration No. 333-104858) filed with the Commission on April 30, 2003)	*
4.3	Indenture, dated as of March 15, 2011, by and among us, the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (including form of 7.00% Senior Notes due 2019) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the Commission on March 15, 2011)	*
4.4	Supplemental Indenture, dated as of July 30, 2012, among us, OrangeSoda, Inc., the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.11 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2012)	*
4.5	Second Supplemental Indenture, dated as of June 28, 2013, among us, VerticalResponse, Inc., the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.13 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2013)	*
4.6	Third Supplemental Indenture, dated as of September 25, 2013, among us, ChecksByDeluxe.com, LLC, Direct Checks Unlimited, LLC, Direct Checks Unlimited Sales, Inc., Safeguard Acquisitions, Inc., Safeguard Franchise Systems, Inc., the	*

	guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.16 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2013)	
4.7	Fourth Supplemental Indenture, dated as of December 17, 2014, among us, Safeguard Franchise Sales, Inc., Wausau Financial Systems, Inc., the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.9 to the Annual Report on Form 10-K for the year ended December 31, 2014)	*
4.8	Fifth Supplemental Indenture, dated as of March 4, 2015, among us, AccuSource Solutions Corporation, SyncSuite, LLC, the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.8 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2015)	*

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Exhibit Number	Description	Method of Filing
4.9	Indenture, dated as of November 27, 2012, by and among us, the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (including form of 6.000% Senior Notes due 2020) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the Commission on November 27, 2012)	*
4.10	Supplemental Indenture, dated as of June 28, 2013, among us, VerticalResponse, Inc., the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.14 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2013)	*
4.11	Second Supplemental Indenture, dated as of September 25, 2013, among us, ChecksByDeluxe.com, LLC, Direct Checks Unlimited, LLC, Direct Checks Unlimited Sales, Inc., Safeguard Acquisitions, Inc., Safeguard Franchise Systems, Inc., the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.15 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2013)	*
4.12	Third Supplemental Indenture, dated as of December 17, 2014, among us, Safeguard Franchise Sales, Inc., Wausau Financial Systems, Inc., the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.13 to the Annual Report on Form 10-K for the year ended December 31, 2014)	*
4.13	Fourth Supplemental Indenture, dated as of March 4, 2015, among us, AccuSource Solutions Corporation, SyncSuite, LLC, the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.13 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2015)	*
4.14	Fifth Supplemental Indenture, dated as of June 15, 2015, among us, Image Distribution Services, the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.14 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2015)	*
4.15	Sixth Supplemental Indenture, dated as of December 4, 2015, among us, Datamyx LLC, the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee	Filed herewith
10.1	Deluxe Corporation 2012 Annual Incentive Plan (incorporated by reference to Appendix A of our definitive proxy statement filed with the Commission on March 12, 2012)**	*
10.2	Deluxe Corporation 2012 Long-Term Incentive Plan (incorporated by reference to Appendix B of our definitive proxy statement filed with the Commission on March 12, 2012)**	*
10.3	Amended and Restated 2000 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.18 to the Annual Report on Form 10-K for the year ended December 31, 2001)**	*
10.4	Deluxe Corporation Deferred Compensation Plan (2011 Restatement) (incorporated by reference to Exhibit 10.7 to the Annual Report on Form 10-K for the year ended December 31, 2010)**	*
10.5	Deluxe Corporation Deferred Compensation Plan Trust (incorporated by reference to Exhibit 4.3 to the Form S-8 filed with the Commission on January 7, 2002)**	*
10.6	Deluxe Corporation Executive Deferred Compensation Plan for Employee Retention and Other Eligible Arrangements (incorporated by reference to Exhibit 10.24 to the	*

	Quarterly Report on Form 10-Q for the quarter ended June 30, 2000)**	
10.7	Form of Severance Agreement entered into between us and the following executive officers: Anthony Scarfone, Terry Peterson, Pete Godich, Julie Loosbrock, Malcolm McRoberts, John Filby, Tracey Engelhardt, Michael Mathews and Amanda Brinkman (incorporated by reference to Exhibit 10.17 to the Annual Report on Form 10-K for the year ended December 31, 2000)**	*

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Exhibit Number	Description	Method of Filing
10.8	Employment Agreement dated as of April 10, 2006, between us and Lee Schram (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed with the Commission on April 17, 2006)**	*
10.9	Form of Executive Retention Agreement entered into between us and Lee Schram (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed with the Commission on August 10, 2007)**	*
10.10	Form of Executive Retention Agreement entered into between us and Senior Vice Presidents appointed prior to 2010 (incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K filed with the Commission on August 10, 2007)**	*
10.11	Form of Executive Retention Agreement entered into between us and each Vice President designated as an executive officer prior to 2010 (incorporated by reference to Exhibit 99.3 to the Current Report on Form 8-K filed with the Commission on August 10, 2007)**	*
10.12	Form of Addendum to Executive Retention and Severance Agreements Relating to Section 409A of the Internal Revenue Code (incorporated by reference to Exhibit 10.18 to the Annual Report on Form 10-K for the year ended December 31, 2008)**	*
10.13	Form of Agreement for Awards Payable in Restricted Stock Units (revised 10/12) (incorporated by reference to Exhibit 10.16 to the Annual Report on Form 10-K for the year ended December 31, 2012)**	*
10.14	Form of Employee Restricted Stock Award Agreement (version 2/14) (incorporated by reference to Exhibit 10.24 to the Annual Report on Form 10-K for the year ended December 31, 2013)**	*
10.15	Form of Non-Qualified Stock Option Agreement (version 2/07) (incorporated by reference to exhibit 10.28 to the Annual Report on Form 10-K for the year ended December 31, 2006)**	*
10.16	Form of Non-Qualified Stock Option Agreement (version 2/09) (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2009)**	*
10.17	Form of Non-Qualified Stock Option Agreement (version 10/12) (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2013)**	*
10.18	Form of Cash Performance Award Agreement (version 2/10) (incorporated by reference to Exhibit 10.30 to the Annual Report on Form 10-K for the year ended December 31, 2009)**	*
10.19	Form of Performance Share Award Agreement (version 2/14) (incorporated by reference to Exhibit 10.23 to the Annual Report on Form 10-K for year ended December 31, 2013)**	*
10.20	Description of modification to the Deluxe Corporation Non-Employee Director Retirement and Deferred Compensation Plan (incorporated by reference to Exhibit 10.10 to the Annual Report on Form 10-K for the year ended December 31, 1997)**	*
10.21	First Amendment to Deluxe Corporation Non-employee Director Stock and Deferral Plan (incorporated by reference to Exhibit 10.3 to the Annual Report on Form 10-K for the year ended December 31, 2008)**	*
10.22	Form of Non-Employee Director Restricted Stock Award Agreement (version 4/07) (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2007)**	*

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Exhibit Number	Description	Method of Filing
10.23	Omnibus Amendment No. 2 to Credit Agreement, Amendment No. 1 to Subsidiary Guaranty and Amendment No. 1 to Pledge and Security Agreement, dated as of February 21, 2014, by and among us, the institutions from time to time parties thereto as lenders, and JPMorgan Chase Bank, N.A. in its capacity as Administrative Agent for itself and the other lenders (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the Commission on February 25, 2014)	*
12.1	Statement re: Computation of Ratios	Filed herewith
21.1	Subsidiaries of the Registrant	Filed herewith
23.1	Consent of Independent Registered Public Accounting Firm	Filed herewith
24.1	Power of Attorney	Filed herewith
31.1	CEO Certification of Periodic Report pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	CFO Certification of Periodic Report pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	CEO and CFO Certification of Periodic Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Consolidated Balance Sheets as of December 31, 2015 and December 31, 2014, (ii) Consolidated Statements of Income for the years ended December 31, 2015, 2014 and 2013, (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2015, 2014 and 2013, (iv) Consolidated Statements of Shareholders' Equity for the years ended December 31, 2015, 2014 and 2013 (v) Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013, and (vi) Notes to Consolidated Financial Statements	Filed herewith

* Incorporated by reference
** Denotes compensatory plan or management contract

Note to recipients of Form 10-K: Copies of exhibits will be furnished upon written request and payment of reasonable expenses in furnishing such copies.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	DELUXE CORPORATION
Date: February 19, 2016	By: /s/ Lee Schram
	Lee Schram, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 19, 2016.

Signature	Title
By: /s/ Lee Schram Lee Schram	Chief Executive Officer (Principal Executive Officer)
By: /s/ Terry D. Peterson Terry D. Peterson	Senior Vice President, Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
* Ronald C. Baldwin	Director
* Charles A. Haggerty	Director
* Don J. McGrath	Director
* Cheryl Mayberry McKissack	Director
* Neil J. Metviner	Director
* Stephen P. Nachtsheim	Director
* Mary Ann O'Dwyer	Director
* Thomas J. Reddin	Director
* Martyn R. Redgrave	Director

* By: /s/ Lee Schram
Lee Schram, Attorney-in-Fact

INDEX TO EXHIBITS

Exhibit No.	Description
4.15	Sixth Supplemental Indenture, dated as of December 4, 2015, among us, Datamyx LLC, the guarantors listed on the signature pages thereto and U.S. Bank National Association, as trustee
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