

Frequently Asked Questions – Pacey AI

Last Updated: October 2025

Effective: November 2025

1 What is Pacey AI?

Pacey AI is an optional feature within our Services that uses AI to synthesize payroll-related information and generate human-readable outputs (for example, explanations, summaries, configurations, or insights) to support payroll operations.

2 Do I have to use Pacey AI?

No. Pacey AI is disabled by default. It is available only if your organization and your employees (where applicable) affirmatively opt in. You can turn it off at any time without impacting the rest of the Services.

3 How does Pacey AI work?

Pacey AI uses a language model hosted by our subprocessor, Microsoft Azure OpenAI Service, to process limited inputs and return an output. It reads information from our knowledge base and the data you submit (as permitted) to generate answers that help with routine payroll queries.

4 What can Pacey AI do?

- Produce and summarize payroll information
- Provide general explanations or comparisons
- Classify or structure content to help understand payroll configuration
- Link to related resources or help content

Note: Outputs are for explanation and general information only. They do not change authoritative payroll configurations or records in the core system.

5 What data does Pacey AI use?

We process only the minimum data reasonably necessary to provide Pacey AI features. Inputs and outputs related to Pacey AI are treated as Customer Data and handled under the same security and privacy controls as the rest of the Service.

6 Will our data be used to train AI models?

No. AI inputs and outputs are not used to train, fine-tune, or improve any foundation or generative models by us, Microsoft, or any third party, except to the extent strictly necessary to operate Pacey AI.

7 Which AI provider do you use?

We use Microsoft Azure OpenAI Service as our subprocessor. As of the effective date, Microsoft indicates it does not use customer data to train OpenAI models and may retain prompts and outputs for a limited period before deletion, as described here: <https://learn.microsoft.com/en-us/azure/ai-foundry/responsible-ai/openai/data-privacy> (as Microsoft may update from time to time).

8 Where is AI data processed?

Inputs and outputs are processed in the region configured for the AI Features (see our Subprocessor list). If a cross-border transfer occurs, we apply a lawful transfer mechanism and comply with applicable data protection laws, including POPIA and, where applicable, the GDPR.

9 What security measures apply?

We apply the same security measures to AI inputs and outputs as to other Customer Data, including encryption in transit and at rest, role-based access controls, logging, and data minimization. Microsoft applies equivalent controls within its environment.

10 Who can access our AI conversations or outputs?

- Internally, only authorized personnel with role-based access can view AI interactions as needed for support, quality, and security.
- Microsoft, as subprocessor, may temporarily retain prompts/outputs for service operation and abuse detection, per its published policy.

11 Are Pacey AI's answers always accurate?

No AI is perfect. Outputs can be probabilistic and may contain inaccuracies. Use the outputs for general informational purposes only. Always verify against applicable laws, official tax tables, internal policies, and your system of record before relying on an output.

12 Is Pacey AI providing legal, tax, or professional advice?

No. Pacey AI does not provide legal, tax, accounting, or professional advice. It is not a substitute for professional judgment. Do not use outputs as the sole basis for decisions that have legal or similarly significant effects on an individual without appropriate human review.

13 What are our responsibilities as a customer?

- Only submit content that is lawful and necessary for your intended use.
- Provide required notices and obtain any necessary consents from employees or other data subjects for the use of Pacey AI and the transfer of data to Microsoft as subprocessor.
- Ensure human review for any decisions that could produce legal or similarly significant effects on a person.

14 Are there usage limits or SLAs for Pacey AI?

Pacey AI relies on a subprocessor and may be subject to usage and rate limits or model changes. Unless expressly stated in your order, standard service level commitments do not apply to Pacey AI.

15 Can Pacey AI be suspended?

Yes. We may suspend Pacey AI to address security risks, abuse, or legal requirements. We will restore access when the issue is resolved. Suspension does not affect the availability of other Services.

16 How do we enable or disable Pacey AI?

Your administrator can opt in or disable Pacey AI via the configuration settings. Disabling stops new processing through Pacey AI but does not affect other Services.

17 What happens to our data if we disable or terminate Pacey AI?

We stop routing new inputs to the subprocessor. Any retention and deletion follow our standard data handling and the subprocessor's limited operational retention policies.

18 How often is Pacey AI updated?

We deploy updates regularly. We may change models or providers over time, but we will not materially reduce data protection commitments in the Schedule without reasonable prior notice.

19 What kinds of questions can we ask?

Natural-language payroll and HR queries, such as requests for explanations, summaries, and process guidance.

20 Can we request deletion of AI interaction history?

Our Subprocessor's operational retention (if any) is governed by Microsoft's published policy.

21 What laws and standards do you follow?

We comply with applicable data protection laws, including POPIA and, where applicable, the GDPR. We maintain technical and organizational measures as described in our security documentation and data processing addendum.