eHealth, Inc.
Form 8-K
March 26, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) March 20, 2013

eHealth, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**001-33071**	**56-2357876**
(State or other jurisdiction	**(Commission**	**(I.R.S. Employer**
of incorporation)	**File Number)**	**Identification No.)**

440 East Middlefield Road

Mountain View, California 94043

(Address of principal executive offices) (Zip code)

(650) 584-2700

Registrant s telephone number, including area code

Not Applicable

(Former name or former address if changed since last report)

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

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

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

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

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

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Executive Bonus Plan

On March 20, 2013, the Compensation Committee of eHealth, Inc. approved the Executive Bonus Plan. The payouts under the Executive Bonus Plan for the fiscal year ending December 31, 2013 will be determined by the Compensation Committee based 100% on company performance.

Company performance will be measured by the achievement of specific financial goals related to revenue, non-GAAP operating earnings and EBITDA. The revenue goal comprises 50% of the potential target incentive award for each participant. The non-GAAP operating earnings goal and the EBITDA goal each comprise 25% of the total potential target incentive award for each participant. In the event that we meet the revenue performance goal, a participant will receive, in connection with the achievement of that performance goal, 50% of the participant s target payout. In the event that we meet the non-GAAP operating earnings goal or the EBITDA goal, a participant will receive, in connection with the achievement of that performance goal, 25% of the participant s target payout. A participant will not receive any payout with respect to a goal that is achieved at less than 95%, but will receive 50% of that goal s target payout if 95% of the goal is achieved and up to 90% of that goal s target payout at 99% of the achievement of the goal. If we exceed a goal, participants will receive amounts above that goal s target payout for the relevant goal exceeded as follows:

- In the event that we exceed the revenue goal, each participant will receive an additional 5% of the target payout for the revenue goal up to a maximum additional payment of 50%; and

- With respect to the non-GAAP operating earnings and EBITDA goals, and only if 100% of the revenue goal is achieved, a participant will receive for each percent achieved above the non-GAAP operating earnings goal or the EBITDA goal an additional 2.5% of the relevant target payout, up to a maximum of additional payout of 50%.

We must be profitable on an operating basis (excluding non-cash charges) for a participant to qualify for the maximum payout under the Executive Bonus Plan for any specific company performance goal. If we are not profitable on an operating basis (excluding non-cash charges), the maximum possible payout shall be no more than 100% of the participant s target incentive award.

The revenue, non-GAAP operating earnings and EBITDA goals and performance are determined by excluding, at the sole discretion of the Compensation Committee, (i) the effect of mergers and acquisitions closing in 2013 (if any), (ii) extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 or as otherwise determined by the Compensation Committee to be extraordinary or non-recurring in its discretion, and (iii) the effect of any changes in accounting principles affecting our reported results.

Under the Executive Bonus Plan, cash incentive bonus targets and maximum cash bonus award opportunities for fiscal year 2013, for named executive officers other than our chief executive officer (see below), are as follows:

	Estimated Future Payouts	
	Target	**Maximum**
Stuart M. Huizinga	$ 180,000	$ 270,000
Robert S. Hurley	$ 154,500	$ 231,750

Performance Bonus Plan

Our Compensation Committee also approved a bonus award opportunity for our chief executive officer, Gary Lauer, for fiscal year 2013. The Compensation Committee determined that, for fiscal year 2013 Mr. Lauer will be eligible for a bonus award pursuant to the Performance Bonus Plan rather than the Executive Bonus Plan described above. The Performance Bonus Plan was approved by the Compensation Committee on March 17, 2009 and by our stockholders on June 9, 2009, and is described in the proxy statement relating to our 2009 annual meeting of stockholders. Mr. Lauer is participating in the Performance Bonus Plan so that we may claim bonus compensation paid to Mr. Lauer pursuant to the Performance Bonus Plan as tax deductible under Section 162(m) of the Internal Revenue Code of 1986, as amended.

Under the Performance Bonus Plan, Mr. Lauer s cash incentive bonus will be determined based upon company performance. Company performance will be measured by the achievement of specific financial goals related to revenue, non-GAAP operating earnings and EBITDA. Achievement of these goals will be measured including the effects of mergers and acquisitions closing in 2013 (if any) and excluding (i) extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30, and (ii) the effect of any changes in accounting principles affecting our reported results. The revenue goal represents 50% of Mr. Lauer s bonus opportunity under the Performance Bonus Plan, and the non-GAAP operating earnings and EBITDA goals each represent 25% of Mr. Lauer s bonus opportunity under the Performance Bonus Plan, subject in each case to the Compensation Committee s discretion to adjust payouts downward. The maximum cash incentive bonus award opportunity for fiscal year 2013 for Mr. Lauer is 97.5% of his base salary, or $633,750.

SIGNATURE

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

Date: March 26, 2013

/s/ STUART M. HUIZINGA
Stuart M. Huizinga
Chief Financial Officer
(Principal Financial and Accounting Officer)