

TRANSACT TECHNOLOGIES INC
Form 8-K
August 07, 2009

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): August 7, 2009

(Exact name of registrant as specified in its charter)

| | | |
|--|--------------------------|--------------------------------------|
| Delaware | 0-21121 | 06-1456680 |
| (State or other jurisdiction of incorporation) | (Commission file number) | (I.R.S. employer identification no.) |

| | |
|--|------------|
| One Hamden Center | 06518 |
| 2319 Whitney Ave, Suite 3B, Hamden, CT | (Zip Code) |
| (Address of principal executive offices) | |

Registrant's telephone number, including area code: (203) 859-6800

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.

(e) On August 3, 2009, the Compensation Committee of our Board or Directors of TransAct Technologies Incorporated (“TransAct”) approved and adopted the TransAct 2009 Incentive Compensation Plan (the “2009 Plan”), which for 2009 provides for incentive compensation in the form of (i) cash awards and (ii) deferred stock units. The 2009 Plan is designed to provide incentives and rewards to our key executives and other salaried employees for performance that is consistent with the objectives of TransAct.

Pursuant to the 2009 Plan, the Compensation Committee assigned eligible participants, including our named executive officers, a bonus target for 2009, represented as a percentage of their annual base salary, based upon their management level. The bonus target percentages for 2009 for each of the Company’s named executive officers are as follows:

| Name | Title | Target Percentage of Base Salary |
|---------------------|--|--|
| Bart C. Shuldman | Chairman, President and CEO | 75% |
| Steven A. DeMartino | Executive Vice President, Chief Financial Officer, Treasurer and Secretary | 50% |
| Michael S. Kumpf | Executive Vice President, Engineering | 35% |
| James B. Stetson | Senior Vice President and Business Manager, TransAct Services Group | N/A* |
| Tracey S. Chernay | Senior Vice President, Sales and Marketing | N/A* |

*Mr. Stetson and Ms. Chernay are not eligible to participate in the 2009 Plan as they earn commission based on annual sales from their respective sales unit.

The bonus targets for 2009 for each of the named executive officers require the satisfaction of both quantitative and qualitative performance objectives based on our budget for 2009 as approved by the Board. For 2009, 75% of the executive’s target bonus will be based on achievement of a single quantitative objective, diluted earnings per share (the “EPS Bonus Amount”), and 25% will be based solely on achievement of individual performance objectives established by the Compensation Committee (the “Performance Objectives Amount”). Individual performance objectives include personal goals as well as other financial and non-financial measurements.

In past years, for performance that met the established quantitative and qualitative objectives, the executive would have received 100% of the corresponding bonus target. However, in light of the difficult current economic environment and its anticipated impact on the Company’s financial results for 2009, the Compensation Committee decided to reduce the percentage payment of the corresponding bonus target from 100% to 50% if the Executive’s performance meets the target diluted earnings per share criteria and fully satisfies all individual performance objectives. No EPS Bonus Amount is payable unless diluted earnings per share exceed a specified threshold. Above the threshold, the EPS Bonus Amount can range from 10% of the Target Percentage of Base Salary to 85%.

The Compensation Committee is responsible for determining achievement of individual performance objectives for the CEO. The CEO is responsible for determining achievement of individual performance objectives for each of his direct reports. For other participants, achievement of individual performance objectives will be determined by the appropriate Vice President or manager. The Performance Objectives Amount can vary from 0% of the Target Percentage of Base Salary to 25% depending on the level of achievement.

In addition, pursuant to the 2009 Plan, for Mr. Shuldman and Mr. DeMartino, 30% and 20%, respectively, of any bonus earned for 2009 (the "Stock Bonus Amount") shall be payable in the form of fully vested stock units granted under the Company's 2005 Equity Incentive Plan (or any successor plan) based on the closing price of TransAct's common stock on the date the 2009 bonus is approved for payment by the Compensation Committee (the "Grant Date"). Stock Units are payable three years from the Grant Date in the form of shares of TransAct's common stock on a one-for-one basis.

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.

TRANSACT TECHNOLOGIES INCORPORATED

By: /s/ Steven A. DeMartino
Steven A. DeMartino
Executive Vice President, Chief Financial Officer, Treasurer and
Secretary

Date: August 7, 2009