

MARSHALL & ILSLEY CORP/WI/
Form 8-K
December 21, 2005

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): December 15, 2005

MARSHALL & ILSLEY CORPORATION

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction
of incorporation)

1-15403
(Commission
File Number)

39-0968604
(IRS Employer
Identification No.)

770 North Water Street
Milwaukee, Wisconsin

53202

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (414) 765-7801

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 1.01.

Entry Into a Material Definitive Agreement.

On December 15, 2005, the Board of Directors of Marshall & Ilsley Corporation (the Company), upon the recommendation of the Compensation and Human Resources Committee of the Board (the Compensation Committee), took the following actions:

2006 Base Salary Increases

Effective January 1, 2006, the Board increased the base salaries of the executive officers who will be the named executive officers for purposes of the Company's proxy statement for the 2006 annual meeting of shareholders. The base salaries of the named executive officers for 2006 are as follows:

| <u>Name</u> | <u>2006 Base Salary</u> |
|---|-------------------------|
| Dennis J. Kuester | |
| | \$925,000 |
| Chairman of the Board and Chief Executive Officer, Marshall & Ilsley Corporation, Chairman of the Board and Chief Executive Officer, M&I Marshall & Ilsley Bank and Chairman of the Board, Metavante Corporation | |
| Mark F. Furlong | |
| | \$600,000 |
| President, Marshall & Ilsley Corporation and President, M&I Marshall & Ilsley Bank | |
| Frank R. Martire | |
| | \$500,000 |
| Senior Vice President, Marshall & Ilsley Corporation and President and Chief Executive Officer, Metavante Corporation | |
| John M. Presley | |
| | \$400,000 |

Senior Vice President and Chief Financial Officer,
Marshall & Ilsley Corporation

Thomas J. O Neill

\$385,000

Senior Vice President, Marshall & Ilsley Corporation,
Executive Vice President, M&I Marshall & Ilsley Bank and
President, M&I Bank FSB

Compensation Plan Amendments

The Board approved amendments to the Company's 1994 Long-Term Incentive Plan (the LTIP), the 1997, 2000 and 2003 Executive Stock Option and Restricted Stock Plans and the associated Terms and Conditions of options awarded thereunder (collectively, the Option Plan Amendments), and the Nonqualified Retirement Benefit Plan. The amendments were made so that the plans would comply with the requirements of Internal Revenue Code Section 409A (Section 409A). The Option Plan Amendments are effective January 1, 2006, but apply retroactively to options that were not granted and vested as of January 1, 2005, to coincide with the effective date of Section 409A. The amendments to the other plans are effective December 15, 2005, but apply retroactively to January 1, 2005.

Three changes were made to the LTIP, which is a three-year rolling incentive plan with payout based on the attainment of pre-established performance objectives. First, the Compensation Committee previously had the discretion to treat a terminating employee as an early retiree, which allowed that person to remain a participant in the plan as to previously granted awards. The amendments provide that early retirement treatment is automatic if, when the employee terminates employment, he or she is over age 55 and the sum of age plus years of service equals or exceeds 65, but only if the employee signs a non-compete agreement and release of employment-related claims (Early Retirement Provisions). Second, there is a six-month delay in payouts under the plan if required to avoid a penalty under Section 409A. Third, in the case of a Triggering Event, as defined in the plan, payment is delayed to the minimum extent necessary to comply with Section 409A.

The Option Plan Amendments contain the Early Retirement Provisions, but only in the case of options that were not granted and vested prior to January 1, 2005, the effective date of Section 409A. For options vested prior to that date, the Compensation Committee retains discretion regarding early retirement treatment. Early retirement treatment means that the options remain exercisable for the shorter of (a) one year after the death of the option holder or (b) the remaining term of the option.

Awards under the LTIP and the Metavante Corporation Long-Term Incentive Plan for 2005

The Board approved the following awards under the LTIP and the Metavante Corporation Long-Term Incentive Plan:

Awards Granted December 2005 for the Performance
Period Beginning January 2006

Number of Shares,
Units or

Performance or Other
Period Until

| <u>Name</u> | <u>Other Rights(1)</u> | <u>Targeted Cash Payment(2)</u> | <u>Maturation or Payout</u> |
|-------------------|------------------------|---------------------------------|-----------------------------|
| Dennis J. Kuester | 18,000 | | 3 Years |
| Mark F. Furlong | 12,000 | | 3 Years |
| Frank F. Martire | | \$300,000 | 3 Years |
| John M. Presley | 5,000 | | 3 Years |
| Thomas J. O'Neill | 5,000 | | 3 Years |

(1)

Units awarded represent share equivalents of the Company's common stock. The performance period is the three years commencing on January 1, 2006 and ending on December 31, 2008 for awards granted in January 2006. Additional units will be credited to each participant's account when dividends are paid on shares of the Company's common stock. Vesting of units occurs at the end of the three-year period except in the case of the death or disability of the participant, termination of a participant's employment due to retirement, or the occurrence of a triggering event (which relates to a change in control of the Company). Upon the occurrence of a triggering event, units vest notwithstanding continued employment by the acquiring company.

(2)

Cash-based awards are made under the Metavante Corporation Long-Term Incentive Plan. The performance period is the three years commencing on January 1, 2006 and ending on December 31, 2008. The award vests at the end of the three-year period except in the case of death or disability, termination of employment due to retirement or the occurrence of a triggering event (which relates to a change of control of Metavante or the Company). Upon the occurrence of a triggering event, the award vests notwithstanding continued employment by the Company.

SIGNATURES

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

Dated: December 16, 2005

MARSHALL & ILSLEY CORPORATION

By:

/s/ Randall J. Erickson

Randall J. Erickson

Senior Vice President, General Counsel and Secretary