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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):

February 28, 2006

Fair Isaac Corporation

(Exact name of registrant as specified in its charter)

Delaware

0-16439

94-1499887

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

901 Marquette Avenue, Suite 3200, Minneapolis,  
Minnesota

55402-3232

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

612-758-5200

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))
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**Item 1.01 Entry into a Material Definitive Agreement.**

Management Incentive Plan for Fiscal 2006

On February 28, 2006, the Compensation Committee of the Board of Directors adopted and approved the Management Incentive Plan, Fiscal Year 2006 (the "MIP"). The MIP governs the determination of the fiscal 2006 incentive bonus awards for Fair Isaac Corporation's executive officers, other than the Chief Executive Officer. The MIP is filed as Exhibit 10 to this Current Report on Form 8-K and is incorporated into this Item 1.01 by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibit.

10 Management Incentive Plan, Fiscal 2006

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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.

Fair Isaac Corporation

March 3, 2003

By: *Andrea M. Fike*

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*Name: Andrea M. Fike*

*Title: Vice President and General Counsel*

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10	Management Incentive Plan, Fiscal Year 2006

# **Management Incentive Plan (MIP)**

## **Fiscal Year 2006**

### **Introduction**

The Management Incentive Plan (“MIP”) is a discretionary bonus plan designed to effectively link a portion of cash compensation to both Company and individual performance results. Participants have an opportunity to earn awards based both upon the Company’s performance against established financial goals and their individual performance against personal performance goals. This document describes the administrative rules governing MIP awards.

### **Participation**

Participation in the MIP is generally limited to Executive Officers (other than the Chief Executive Officer) and any other senior leader specifically designated.

### **Incentive Frequency**

Awards under the MIP are associated with a specific measurement or assessment period (the “Performance Period”). Awards are generally calculated and distributed on a quarterly basis. Management may, at its discretion, elect to defer calculation and payment of an accrued incentive pool to future Performance Periods within the same fiscal year. To permit administrative calculations, payments will generally be distributed to Participants within 60 calendar days following the end of each Performance Period.

### **Definitions**

The “Plan Year” is the Company’s fiscal year.

“Company Performance” is defined as the extent to which the Company achieves established financial goals including both revenue and earnings-per-share (EPS) targets as established by the Compensation Committee.

These financial goals are intended to serve as general guidelines and may be modified by the Compensation Committee from time-to-time to reflect changes in the Company’s business due to acquisitions, divestitures, share repurchase activity or changes in the economy or markets served by the Company which substantially impact Company performance. The Compensation Committee holds sole responsibility for evaluating or interpreting performance in accordance with these or any other factors it deems appropriate in determining any award under the MIP.

“Individual Performance” is defined as the extent to which a Participant achieves established personal performance goals established as part of the Company’s standard performance review process.

The “Incentive Pool” is the amount of money available for payout in conjunction with a given Performance Period and is determined by the Compensation Committee based upon the extent to which Company and Individual Performance goals for the relevant Performance Period have been achieved. In general, if funding the MIP pool will cause the Company to fail to achieve its net income goal, no payout will occur.

### **Award Determination**

Individual awards under the MIP will be determined based upon the extent to which both Company Performance and Individual Performance goals are achieved. In general, annual cumulative awards to any Participant will not exceed that Participant’s annual base salary received during the relevant fiscal year. Awards may be prorated to account for partial Performance Period participation.

### **Administration**

The MIP will be administered by the Compensation Committee of the Board of Directors. The Compensation Committee has the authority to interpret the provisions of the MIP and to make any rules and regulations necessary to administer the MIP. Compensation Committee decisions are final in all matters of judgment pertaining to the MIP, and the Compensation Committee may, without notice, amend, suspend or revoke the MIP. All awards under the MIP are at the sole discretion of Compensation Committee which reserves the right to modify or eliminate award eligibility, based on a review of pertinent factors, with or without notice to a Participant.