

# DGT HOLDINGS CORP.

## FORM 8-K (Current report filing)

Filed 12/22/05 for the Period Ending 12/19/05

Address	100 PINE AIRE DRIVE BAY SHORE, NY 11706
Telephone	631 231-6400
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Industry	Medical Equipment & Supplies
Sector	Healthcare
Fiscal Year	07/31

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 19, 2005  
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DEL GLOBAL TECHNOLOGIES CORP.  
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(Exact name of registrant as specified in charter)

New York ----- (State or other jurisdiction of incorporation)	0-3319 ----- (Commission File Number)	13-1784308 ----- (IRS Employer Identification No.)
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One Commerce Park, Valhalla, NY ----- (Address of Principal Executive Offices)	10595 ----- (Zip Code)
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Registrant's telephone number, including area code (914) 686-3650  
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(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 (see General Instruction A.2. below):

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 19, 2005, the Board of Directors of Del Global Technologies Corp. (the "Company") formally adopted the Fiscal 2006 Senior Management Incentive Plan (the "2006 Plan") to provide incentives to senior management of the Company and its subsidiaries, including certain of the Company's executive officers, in the form of incentive payments for achieving certain performance

goals established for them. Participants in the 2006 Plan who are executive officers of the Company include Walter F. Schneider, President and Chief Executive Officer of the Company, Mark A. Koch, Principal Accounting Officer, Treasurer and Secretary of the Company, and Christopher N. Japp, President of the Company's Medical Systems Group. No other executive officers of the Company participate in the 2006 Plan.

Under the 2006 Plan, a specific pre-defined revenue goal (the "Incentive Plan Goal") and individual performance standards must be attained in order for participants to qualify for incentive payments. The amount of a participant's payout under the 2006 Plan is determined as a percentage of the participant's annual base salary (the "Incentive Percentage"), with the Incentive Percentage being different depending upon the participant's level within the organization. Incentive Percentages for participants under the 2006 Plan range from 10% to 40% of the participant's annual base salary. The amount of a participant's payment under the 2006 Plan is subject to proportional adjustment in the event actual results are at least 90% of the Incentive Plan Goal, and in the event that actual results exceed the Incentive Plan Goal (with a maximum payment of 1.5 times an employee's Incentive Percentage). If the actual results are less than 90% of the Incentive Plan Goal, then no payments will be made under the 2006 Plan.

The maximum Incentive Percentage that may be earned by Mr. Schneider under the 2006 Plan is 60%, and the corresponding maximum incentive payment under the 2006 Plan for Mr. Schneider is \$180,000. The maximum Incentive Percentage that may be earned by Mr. Koch under the 2006 Plan is 30%, and the corresponding maximum incentive payment under the 2006 Plan for Mr. Koch is \$49,500. The maximum Incentive Percentage that may be earned by Mr. Japp under the 2006 Plan is 60%, and the corresponding maximum incentive payment under the 2006 Plan for Mr. Japp is \$135,000.

On December 19, 2005, the Board of Directors of the Company approved an Incremental Executive Incentive Plan (the "Incremental Plan") for Mr. Schneider for the 2006 fiscal year. Under the Incremental Plan, Mr. Schneider will be paid \$20,000 for each \$2 million of gross revenue that the Company recognizes in the 2006 fiscal year over a certain revenue budget goal set for the year. The maximum payment to Mr. Schneider under the Incremental Plan is \$120,000. Eligibility to receive such payments is contingent upon the Company maintaining or exceeding a certain consolidated gross margin target throughout the 2006 fiscal year.

On December 19, 2005, the Board of Directors of the Company approved fiscal 2005 awards to be paid to the executive officers of the Company under the Company's Fiscal 2005 Senior Management Incentive Plan (the "2005 Plan").

The Company's 2005 Plan is intended to provide incentives to members of senior management, including the Company's executive officers, in the form of annual incentive payments for achieving certain performance goals established

for them. Participants in the 2005 Plan who are executive officers of the Company include Messrs. Schneider and Koch. No other executive officers of the Company participated in the 2005 Plan.

Under the 2005 Plan, a specific pre-defined revenue goal (the "Incentive Plan Goal") and individual performance standards must be attained in order for participants to qualify for incentive payments. The amount of a participant's payout under the 2005 Plan is determined as a percentage of the participant's annual base salary (the "Incentive Percentage"), with the Incentive Percentage being different depending upon the participant's level within the organization. Incentive Percentages for participants under the 2005 Plan range from 10% to 40% of the participant's annual base salary. The amount of a participant's payment under the 2005 Plan is subject to proportional adjustment in the event actual results are less than the Incentive Plan Goal, and in the event that actual results exceed the Incentive Plan Goal (with a maximum payment of 1.5 times an

employee's Incentive Percentage). The Incentive Percentage for Mr. Schneider under the 2005 Plan is 40% and was proportionally adjusted to 32% based on the Company's actual results in comparison to the Incentive Plan Goal. Mr. Koch's Incentive Percentage under the 2005 Plan is 20% and was proportionally adjusted to 16% based on the Company's actual results in comparison to the Incentive Plan Goal.

Incentive payments awarded to the executive officers of the Company under the 2005 Plan are as follows:

NAME ----	TITLE -----	INCENTIVE AMOUNT -----
Walter F. Schneider	President and Chief Executive Officer	\$ 96,000
Mark A. Koch	Principal Accounting Officer, Treasurer and Secretary	\$ 26,400

#### 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.

DEL GLOBAL TECHNOLOGIES CORP.  
(Registrant)

Date: December 22, 2005

By: /s/ Mark A. Koch  
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Mark A. Koch  
Principal Accounting Officer and  
Treasurer