

=====

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 2)

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): September 24, 2004

Transaction Systems Architects, Inc.  
(Exact Name of Registrant as Specified in Charter)

Delaware

0-25346

47-0772104

-----  
(State or Other  
Jurisdiction  
of Incorporation)

-----  
(Commission File No.)

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

224 South 108th Avenue, Omaha Nebraska 68154  
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code:  
(402) 334-5101

N/A

-----  
(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))

=====

Explanatory Note

Transaction Systems Architects, Inc. (the "Company") is filing this  
Amendment No. 2 to its Current Report on Form 8-K filed with the Securities and  
Exchange Commission on September 29, 2004, as amended by Amendment No. 1 filed  
on October 13, 2004 (such amendment, "Amendment No. 1"), to amend Item 1.01 and  
to amend and restate Item 9.01 in its entirety to make certain changes to  
Exhibit 10.2. This Amendment No. 2 does not otherwise modify or update any of  
the information contained in the original Current Report on Form 8-K or in  
Amendment No. 1.

Item 1.01. Entry into a Material Definitive Agreement.

Item 1.01 is hereby amended to add the following text at the end of the sixth  
paragraph:

In a telephonic meeting held on December 10, 2004, the Compensation Committee of the Board of Directors of the Company approved certain amendments to the 2005 Fiscal Year Management Incentive Compensation Plan, a description of which was previously filed as Exhibit 10.2 to Amendment No. 1. A description of the 2005 Fiscal Year Management Incentive Compensation Plan, as amended, is filed herewith as Exhibit 10.2.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No.	Description
10.1	Third Amended and Restated Employment Agreement dated as of September 28, 2004 between Transaction Systems Architects, Inc. and Gregory D. Derkacht (with exhibits, including the form of Amended and Restated Severance Compensation Agreement) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed September 29, 2004, and incorporated herein by reference).
10.2	Description of the 2005 Fiscal Year Management Incentive Compensation Plan.
10.3	Severance Compensation Agreement (Change in Control), dated September 29, 2004, between Donald P. Newman and the Company (the form of which is filed as Exhibit 10.16 to the Company's Form 10-K for the fiscal year ended September 30, 2003 and incorporated herein by reference).
99.1	Press Release (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K, filed September 29, 2004, and incorporated herein by reference).

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.

Date: December 13, 2004

TRANSACTION SYSTEMS ARCHITECTS, INC.

By: /s/ Dennis P. Byrnes  
Name: Dennis P. Byrnes  
Title: Senior Vice President

EXHIBIT INDEX

Exhibit No.	Description
10.1	Third Amended and Restated Employment Agreement dated as of September 28, 2004 between Transaction Systems Architects, Inc. and Gregory D. Derkacht (with exhibits, including the form of Amended and Restated Severance Compensation Agreement) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed September 29, 2004, and incorporated herein by reference).
10.2	Description of the 2005 Fiscal Year Management Incentive Compensation Plan.
10.3	Severance Compensation Agreement (Change in Control), dated September 29, 2004, between Donald P. Newman and the Company (the form of which is filed as Exhibit 10.16 to the Company's Form 10-K for the fiscal year ended September 30, 2003 and incorporated herein by reference).
99.1	Press Release (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K, filed September 29, 2004, and incorporated herein by reference).

## 2005 FISCAL YEAR MANAGEMENT INCENTIVE COMPENSATION PLAN

On September 24, 2004, the Compensation Committee of the Board of Directors of Transaction Systems Architects, Inc. (the "Company") approved the 2005 Fiscal Year Management Incentive Compensation Plan (as amended, the "2005 MIC Plan"). On December 10, 2004, the Compensation Committee approved certain amendments to the 2005 MIC Plan. The 2005 MIC Plan is implemented for the Company's 2005 fiscal year beginning October 1, 2004 and applies to management-level employees eligible for a management incentive compensation bonus ("MIC Bonus"). Each of the Company's named executive officers will participate in the 2005 MIC Plan.

The objective of the 2005 MIC Plan is to incent certain management-level personnel to contribute toward the attainment of the Company's fiscal 2005 consolidated financial goals based on corporate, segment and/or channel specific targets, or specific individual performance objectives. With respect to the Company's senior executives, including the named executive officers, 25% of the MIC Bonus is based on the attainment of certain annual Company-level revenue objectives (the "Annual Revenue Objective"), which is in addition to any quarterly or other annual revenue objectives under the participant's plan.

The MIC Bonus opportunity is based on targets for five periods -- the Company's four fiscal quarters and its fiscal year end. If the minimum targets are not achieved for a target period, no MIC Bonus is paid for that period. Earned MIC Bonuses are paid quarterly, with the annual MIC Bonus and any Annual Revenue Objective bonus paid at the same time as the fourth quarter payout. MIC Bonuses are paid in cash. A MIC Bonus payout may be more or less than 100% (up to a maximum of 200%) depending on the level of attainment against the underlying objective as set forth in the table below:

Target Attainment Percentage	MIC Bonus Payout Percentage
95% Attainment	50%
100% Attainment	100%
105% Attainment	125%
110% Attainment	150%
120% Attainment	200%

No bonus shall be paid with respect to the Annual Revenue Objective for less than 100% attainment of that objective.

Under the 2005 MIC Plan, the annual bonus compensation for the Company's senior corporate executives is based on certain Company-level financial performance measures. For senior executives of the Company's business units, the annual bonus compensation is based on Company-level and segment-level financial performance measures. The table below describes the fiscal year 2005 Company-level and segment-level financial performance measures and the weighting range for such performance measures:

Senior Executives' Performance Measures	
Performance Measure	Performance Measure Weighting Range
Company-Level Performance Measures:	
- Operating Margin.....	8.33% - 35%
- Revenue.....	33.33% - 50%
- Cash Flow.....	8.33% - 15%
Segment-Level Performance Measures:	
- Segment/Channel Revenue.....	25%
- Segment/Channel Contribution Margin.....	25%

For other participants in the 2005 MIC Plan (excluding the Company's senior executives), the annual bonus compensation is based on a combination of some or all of the following: Company-level financial performance measures, segment-level (or channel-level) financial performance measures and specific targets for the individual. The weighting of the performance measures vary for these plan participants depending on the respective business segment in which they are employed.

The Compensation Committee sets specific target performance measures at the beginning of each fiscal year. These targets are based on a review of the

annual operating plan of the Company as a whole and any relevant business segment, considered in the context of prior years' results and other factors.

A participant in the 2005 MIC Plan must be employed by the Company on the last day of a target period to be eligible to receive a MIC Bonus for that target period. If a participant's employment is terminated for any reason prior to the end of a target period, the participant will not be eligible to receive a MIC Bonus for that period or any subsequent target period. The Company reserves the right at any time during the 2005 MIC Plan year to: (a) amend or terminate the plan in whole or in part, including to adjust plan targets, and (b) revoke any eligible employee's right to participate in the plan.