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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):

October 26, 2004

MoneyGram International, Inc.

(Exact name of registrant as specified in its charter)

Delaware

1-31950

16-1690064

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

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

1550 Utica Avenue South, Suite 100, Minneapolis,  
Minnesota

55416

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

952-591-3000

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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[Top of the Form](#)

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

On October 26, 2004, MoneyGram International, Inc. entered into an employment agreement with Philip W. Milne, its President and Chief Executive Officer. Mr. Milne also serves as a director of MoneyGram International, Inc. The agreement is effective from July 1, 2004 and continues until July 31, 2005. Under the terms of the agreement, Mr. Milne will receive the salary, benefits and incentive compensation described on Schedule A to the agreement. In the event Mr. Milne's employment is terminated by reason of incapacity or he is requested to resign as an officer or a director at the request of a majority of the Board of Directors, he is entitled to receive compensation and benefits for the remaining term of the agreement. A copy of the agreement is filed herewith as Exhibit 99.1.

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[Top of the Form](#)

**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.

MoneyGram International, Inc.

October 27, 2004

By: *Teresa H. Johnson*

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*Name: Teresa H. Johnson*  
*Title: Secretary*

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Employment Agreement, dated October 26, 2004 between MoneyGram International, Inc. and Philip W. Milne

**EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT entered into this 26<sup>th</sup> day of October, 2004 between MoneyGram International, Inc., a Delaware corporation (hereinafter called "Employer"), and Philip W. Milne (hereinafter called "Employee"),

WITNESSETH:

1. Employment

Employer hereby employs Employee and Employee hereby agrees to serve Employer in the capacity hereinafter described for the employment term hereinafter set forth. Employee shall be elected to the Board of Directors of MoneyGram International, Inc.; in addition he shall be the President and Chief Executive Officer (CEO) of MoneyGram International, Inc. at its headquarters in St. Louis Park, Minnesota. Employee agrees (a) to serve in such position or in any other senior executive position to which he may be elected or appointed by Employer's Board of Directors during the term of this Agreement, (b) to devote his best efforts, energies, skill and all of his working time to the discharge of the duties and responsibilities as President and CEO, and (c) to perform his tasks to Employer's reasonable satisfaction.

2. Compensation and Benefits

As remuneration for services performed hereunder, Employee shall receive the salary, benefits and incentive compensation that are listed on Schedule "A", attached.

3. Term

This Agreement is effective commencing as of July 1, 2004, and shall terminate on July 31, 2005.

4. Termination

Employer may terminate this Agreement at any time if:

(a) Employee, by reason of physical or mental illness, shall have been unable to perform satisfactorily the services to be rendered by him hereunder for a consecutive period of one hundred eighty (180) days. Should such incapacity occur, Employee shall be entitled to the retirement benefits as provided on Schedule "A".

(b) Employee should be convicted of a felony or a crime involving moral turpitude, fraud, or dishonesty, or commit an act which, in the judgment of a majority of Employer's Board of Directors, as evidenced by action recorded in the official minutes of a meeting of such Directors, subjects Employer, or its Subsidiaries to public disrespect, scandal or ridicule or adversely affects the utility of Employee's services to Employer..

(c) Employee should be requested by a majority of the Board of Directors to resign from the Employer as an officer and Board member. The Employee, in such case, shall be entitled to all Compensation and Benefits listed on Schedule "A" for the remaining term of this Agreement.

5. Chief Executive Officer

Employee shall report to the Chairman of the Board of MoneyGram International, Inc. in discharging his duties and responsibilities as President and CEO.

IN WITNESS WHEREOF, the parties hereto have caused this Employment Agreement to be executed as of the 26<sup>th</sup> day of October 2004.

By: /s/ Jess Hay  
Jess Hay  
For the Board of Directors

ATTEST:

By: /s/ Teresa Johnson  
Teresa Johnson  
Vice President,  
General Counsel and Secretary

/s/ Philip W. Milne  
Philip W. Milne

**SCHEDULE "A"**

**PRESIDENT AND CHIEF EXECUTIVE OFFICER**  
(Effective as of July 1, 2004)

<b>Base Salary</b>	\$575,000 (37% increase - salary to be reviewed again in February 2005) (Current Salary: \$420,000)
<b>MIP Target Bonus %</b>	80% (Current Target Bonus: 55%)
<b>Stock Options</b>	Eligible
<b>Performance-Based Restricted Stock</b>	Eligible
<b>First-Class Air Travel</b>	Eligible
<b>Company Paid AD&amp;D</b>	\$300,000 Company Paid
<b>Executive Severance Plan</b>	MoneyGram International, Inc. Executive Severance Plan (Tier I)
<b>Health Club</b>	Monthly Dues
<b>Luncheon Club</b>	Monthly Dues
<b>Country Club</b>	Monthly Dues
<b>Financial Counseling and Tax Planning Services</b>	Eligible
<b>Executive Medical</b>	Provides supplemental coverage to the base plan, including co-pays and deductibles - \$4,000/year limit
<b>Parking</b>	Reserved Company-paid Parking
<b>Executive Physical</b>	Eligible
<b>Supplemental Executive Retirement Plan</b>	Travelers Express SERP
<b>Automobile</b>	Level I Auto

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