

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**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)  
May 2, 2007

PHILLIPS-VAN HEUSEN CORPORATION  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation)

1-7572  
(Commission File Number)

13-1166910  
(IRS Employer Identification Number)

200 Madison Avenue, New York, New York 10016  
(Address of Principal Executive Offices)

Registrant's telephone number (212)-381-3500

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

**Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

The Compensation Committee of the Board of Directors of Phillips-Van Heusen Corporation (the "Company") met on May 2, 2007 and approved an increase in the base salary of Allen E. Sirkin, President and Chief Operating Officer, to \$910,000, effective June 1, 2007. In addition, the Committee approved the following awards to Emanuel Chirico, Chief Executive Officer; Michael Shaffer, Executive Vice President and Chief Financial Officer; Allen Sirkin, President and Chief Operating Officer; Francis K. Duane, Vice Chairman, Wholesale Apparel; Paul Thomas Murry, President and Chief Operating Officer of Calvin Klein, Inc., a wholly owned subsidiary of the Company; and Michael Zaccaro, Vice Chairman, Retail Apparel. The foregoing individuals are the current executive officers of the Company who are to be identified as the "named executive officers" of the Company pursuant to Item 402(a)(3) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended, in the Company's proxy statement for its 2007 Annual Meeting of Stockholders:

1. The Committee established bonus goals for fiscal 2007 for each of the named individuals under the Company's Performance Incentive Bonus Plan. The individuals will receive payouts based on a percentage of base salary contingent upon the achievement of overall Company performance based on earnings per share and, for officers with divisional responsibilities, divisional performance based on earnings. In all cases, achievement of levels between goals established (as set forth below) would result in payment of a percentage of base salary that is on a straight-line interpolation between the two relevant goals.
  - Mr. Chirico's potential bonus, which is payable solely with respect to Company performance, ranges from 50% at threshold, to 100% at target, to 200% at maximum.
  - Mr. Shaffer's potential bonus, including an additional potential payout in lieu of his participation in a performance cycle under the Company's Long-Term Incentive Plan ending February 3, 2008, which is payable solely with respect to Company performance, ranges from 40% at threshold, to 80% at target, to 190% at maximum.
  - Mr. Sirkin's potential bonus, which is payable solely with respect to Company performance, ranges from 40% at threshold, to 75% at target, to 195% at maximum.
  - Mr. Duane can receive bonuses with respect to both Company performance and divisional performance, on a combined basis, by the Company's Dress Shirt and Sportswear Groups over which he has responsibility. Mr. Duane's potential bonus with respect to Company performance ranges from 5% at threshold, to 10% at target, to 25% at maximum. Mr. Duane's potential bonus with respect to divisional performance ranges from 30% at threshold, to 60% at target, to 150% at maximum.
  - Mr. Murry can receive bonuses with respect to both Company performance and divisional performance, on a combined basis, by the Company's Calvin Klein licensing, advertising and retail businesses over which he has responsibility. Mr. Murry's potential bonus with respect to Company performance, including an additional potential payout in lieu of his participation in a performance cycle under the Company's Long-Term Incentive Plan ending February 3, 2008, ranges from 5% at threshold, to 10% at target, to 25% at maximum. Mr. Murry's potential bonus with respect to divisional performance ranges from 30% at threshold, to 60% at target, to 150% at maximum.
  - Mr. Zaccaro can receive bonuses with respect to both Company performance and divisional performance of the Company's Retail Group, over which he has responsibility. Mr. Zaccaro's potential bonus with respect to Company performance, including an additional potential payout in lieu of his participation in a performance cycle under the Company's Long-Term Incentive Plan ending February 3, 2008, ranges from 5% at threshold, to 10% at target, to 25% at maximum. Mr. Zaccaro's potential bonus with respect to divisional performance ranges from 30% at threshold, to 60% at target, to 150% at maximum.
2. The Committee also established awards of performance shares for each of the foregoing individuals under the Company's 2006 Stock Incentive Plan. The awards are based on a percentage of each individual's base salary and are contingent of the Company's achievement of a goal based on both earnings growth and improvement in

return on equity during the applicable performance cycle. The performance cycles cover the Company's fiscal years indicated. In all cases, achievement of levels between the goals established and set forth below would result in receipt of a portion of the stock award that is on a straight-line interpolation between the two relevant goals.

- Messrs. Shaffer, Murry and Zaccaro received awards for the 2007-2008 performance cycle. Mr. Shaffer would receive 900 shares of Common Stock at threshold, 1,800 shares at target, and 3,600 shares at maximum. Mr. Murry would receive 1,200 shares of Common Stock at threshold, 2,400 shares at target, and 4,800 shares at maximum. Mr. Zaccaro would receive 1,050 shares of Common Stock at threshold, 2,100 shares at target, and 4,200 shares at maximum. Messrs. Chirico, Sirkin and Duane did not receive performance share awards for the 2007-2008 performance cycle as they have previously received awards under the Company's Long-Term Incentive Plan for a performance cycle ending upon the conclusion of the Company's 2008 fiscal year.
- Messrs. Chirico, Shaffer, Sirkin, Duane, Murry and Zaccaro received awards for the 2007-2009 performance cycle. Mr. Chirico would receive 10,200 shares of Common Stock at threshold, 18,500 shares at target, and 40,700 shares at maximum. Mr. Shaffer would receive 900 shares of Common Stock at threshold, 1,800 shares at target, and 3,600 shares at maximum. Mr. Sirkin would receive 1,700 shares of Common Stock at threshold, 4,200 shares at target, and 9,200 shares at maximum. Mr. Duane would receive 1,500 shares of Common Stock at threshold, 3,000 shares at target, and 6,000 shares at maximum. Mr. Murry would receive 1,200 shares of Common Stock at threshold, 2,400 shares at target, and 4,800 shares at maximum. Mr. Zaccaro would receive 1,050 shares of Common Stock at threshold, 2,100 shares at target, and 4,200 shares at maximum.

Each of the awards is subject to the other terms set forth in the Company's standard award agreement, which was approved by the Compensation Committee on May 2, 2007 and is attached hereto as an Exhibit.

At the May 2, 2007 meeting of the Compensation Committee, the Committee also approved an amendment to the employment agreement of Michael A. Shaffer, Executive Vice President and Chief Financial Officer. The amendment increases the severance payable to Mr. Shaffer if his employment with the Company is terminated without "cause" or for "good reason" (each as described below), other than within two years of a change of control. Mr. Shaffer's agreement outlines the compensation and benefits to be paid to him during his employment with the Company. The agreement provides for an annual review of his salary and permits upward adjustments of salary. In addition, the agreement outlines Mr. Shaffer's rights to severance upon termination of employment. Generally, he is entitled to severance only if employment is terminated by the Company without "cause" or if he terminates his employment for "good reason." "Cause" is generally defined as (1) gross negligence in the performance of Mr. Shaffer's material responsibilities; (2) gross misconduct in the performance of his material responsibilities of the Executive's office or position; (3) Mr. Shaffer's material failure or refusal to perform his core job duties (other than by reason of his death or disability); (4) Mr. Shaffer's conviction by a court of competent jurisdiction of, or the entry of a plea of guilty or *nolo contendere* to, a charge of the commission of a crime that constitutes a felony under federal or state law or the equivalent under foreign law; (5) embezzlement or intentional misappropriation of any property of the Company; (6) Mr. Shaffer having divulged, furnished or made accessible to anyone the Company's confidential information (as defined); (7) fraud, dishonesty or other acts or omissions that constitute a willful breach by Mr. Shaffer of his fiduciary duty to the Company; or (8) the happening of any other event which, under the provisions of applicable law, disqualifies him from acting in any or all capacities in which he is then acting. "Good reason" is generally defined as (i) the assignment to Mr. Shaffer of any duties inconsistent in any material respect with his position or any other action that results in a material diminution in such position; (ii) a reduction of base salary; (iii) the taking of any action that substantially diminishes (A) the aggregate value of Mr. Shaffer's total compensation opportunity, and/or (B) the aggregate value of the employee benefits provided to him; (iv) requiring that Mr. Shaffer's services be rendered primarily at a location or locations more than 75 miles from our principal executive offices; or (v) our failure to require any successor to assume expressly and agree to perform Mr. Shaffer's employment agreement.

In the event of a termination of employment without cause or for good reason (other than during the two-year period after a change in control), Mr. Shaffer is entitled to receive, as a result of the aforementioned amendment, one and a half times (previously one times) the average annual total cash compensation (*i.e.*, base salary plus any bonus) paid to or accrued for him

during the two-year period preceding the date of termination. Mr. Shaffer is also only required to pay the active employee rate for medical and dental insurance during the one and a half year period over which the severance is paid. Additionally, he is entitled to severance upon the termination of his employment by the Company without cause or by him for good reason within two years after a change of control of the Company (as defined in the agreement). In either such case, Mr. Shaffer would receive a lump sum payment in an amount equal to two times the average annual total cash compensation paid to or accrued for him during the two-year period preceding the date of termination. In addition, if any payments, entitlements or benefits received by Mr. Shaffer under his agreement are subject to the excise taxes on excess parachute payments, he is entitled to an additional payment to restore him to the after-tax position that he would have been in if the excise tax had not been imposed. Mr. Shaffer also receives comparable medical, dental and life insurance coverage for himself and his family for a two-year period after termination. Mr. Shaffer's employment agreement also includes certain restrictive covenants in favor of the Company, including agreements regarding the use of confidential information, non-interference with business relationships, non-solicitation of employees and post-termination employment restrictions.

At meetings of the Nominating & Governance Committee and Board of Directors of the Company held on May 3, 2007, Bruce J. Klatsky, Joel H. Goldberg and Marc Grosman, directors of the Company, determined not to stand for re-election and to retire upon the completion of their current terms. Such terms are scheduled to end on June 19, 2007, the date of the Company's 2007 Annual Meeting of Stockholders.

**Item 9.01 Financial Statements And Exhibits.**

(d) Exhibits:

<b>Exhibit</b>	<b>Description</b>
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10.1	Form of Performance Share Award Agreement under the Phillips-Van Heusen 2006 Stock Incentive Plan
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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.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer  
Mark D. Fischer, Senior Vice President

Date: May 8, 2007

PHILLIPS-VAN HEUSEN CORPORATION  
2006 STOCK INCENTIVE PLAN  
PERFORMANCE SHARE AWARD AGREEMENT

**NOTICE OF PERFORMANCE SHARE AWARD**

Phillips-Van Heusen Corporation (the "Company") grants to the Grantee named below, in accordance with the terms of the Phillips-Van Heusen Corporation 2006 Stock Incentive Plan (the "Plan") and performance share award agreement (this "Agreement"), the number of performance shares (the "Performance Shares") provided as follows:

GRANTEE	
TARGET NO. OF PERFORMANCE SHARES	
PERFORMANCE PERIOD	
DATE OF GRANT	
SETTLEMENT SCHEDULE	Performance Shares will be settled within two and one-half months of the last day of the Performance Period, subject to achievement and certification of performance goals described in this Agreement and the Grantee being employed by the Company through such date, except as otherwise provided herein.

**AGREEMENT**

1. Grant of Award. The Company hereby grants to the Grantee the Performance Shares, settlement of which is dependent upon the achievement of certain performance goals more fully described in Section 2(d) of this Agreement. This Award is subject to the terms, definitions and provisions of the Plan and this Agreement. All terms, provisions, and conditions applicable to the Performance Shares set forth in the Plan and not set forth herein are incorporated by reference. To the extent any provision hereof is inconsistent with a provision of the Plan, the provision of the Plan will govern. All capitalized terms that are used in this Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Plan.

2. Settlement of Award.

a. Right to Award. The Performance Shares awarded pursuant to this Agreement represent the opportunity to receive Shares of the Company if performance goals outlined in Section 2(d) of this Agreement are satisfied.

b. Settlement of Award. Settlement shall occur on a date chosen by the Committee, which date shall be no later than the 15th day of the third month of the calendar year following the last day of the Performance Period. Settlement is contingent upon the Grantee remaining in the employment or service of the Company or its Subsidiaries through the settlement date, except as otherwise provided in Section 3.

The Company may require the Grantee to furnish or execute such documents as the Company shall reasonably deem necessary (i) to evidence such settlement and (ii) to comply with or satisfy the requirements of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or any other Applicable Law.

c. Method of Settlement. The Company shall deliver to the Grantee one Share for each Performance Share earned, less any Shares withheld in accordance with Section 2(e) of this Agreement. Share certificates shall be issued in the name of the Grantee (or of the person or persons to whom such Award was transferred in accordance with Section 4 of this Agreement).

d. Determination of the Number of Performance Shares Earned. The number of Performance Shares earned, if any, is based on a combination of earnings per share and return on equity at the end of the Performance Period, determined in accordance with the schedule annexed hereto as Exhibit A.

- e. Taxes. Pursuant to Section 14 of the Plan, the Company shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any applicable tax withholding requirements applicable to this Award. The Company may condition the delivery of Shares upon the Grantee's satisfaction of such withholding obligations. To the extent permitted by the Committee, the Grantee may elect to satisfy all or part of such withholding requirement by tendering previously-owned Shares or by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory tax withholding rate that could be imposed on the transaction (or such other rate that will not result in a negative accounting impact). Such election shall be irrevocable, made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

### 3. Termination of Employment.

- a. If the Grantee's employment terminates during a Performance Period by reason of his or her death, his or her estate shall receive, within 30 days of the Grantee's death, the Performance Shares that would otherwise have been delivered to the Grantee for the Performance Period if the plan target level were achieved, prorated to the portion of the Performance Period actually worked by the Grantee.
- b. If the Grantee's employment terminates during a Performance Period by reason of his or her disability, the Grantee shall receive the Performance Shares, if any, that would otherwise have been delivered to the Grantee for the Performance Period, prorated to the portion of the Performance Period actually worked by the Grantee.
- c. If the Grantee's employment terminates during a Performance Period by reason of his or her Retirement, the Grantee shall receive the Performance Shares, if any, which would otherwise have been payable to the Grantee for the Performance Period, prorated to the portion of the Performance Period actually worked by the Grantee; *provided, however*, that if a Grantee retires prior to 12 months following the commencement of a Performance Period, no Performance Shares shall be delivered.
- d. If the Grantee's employment terminates during a Performance Period by reason of his or her discharge without Cause, the Grantee shall receive the Performance Shares, if any, which would otherwise have been payable to the Grantee for the Performance Period, prorated to the portion of the Performance Period actually worked by the Grantee; *provided, however*, that if a Grantee terminates employment by reason of his or her discharge without Cause prior to 12 months following the commencement of a Performance Period, no Performance Shares shall be delivered.
- e. If the Grantee's employment terminates during a Performance Period or after the end of a Performance Period but prior to the date of settlement of the Performance Shares for any reason which would constitute grounds for the Grantee to voluntarily terminate his or her employment for "good reason" under the terms of the Grantee's employment agreement, if any, with the Company or a Subsidiary, the Committee shall have complete discretion in determining whether the Performance Shares will be paid to the Grantee, and, if the Performance Shares are determined to be payable, the number of Performance Shares to be delivered.
- f. If the Grantee's employment terminates after the end of a Performance Period but prior to the date of settlement of the Performance Shares due to his or her death, disability, Retirement or discharge without Cause, the Grantee shall receive the Performance Shares, if any, which would otherwise have been delivered to the Grantee for the Performance Period.
- g. Notwithstanding the foregoing, in the event that there shall be a Change in Control during a Performance Period, the Grantee shall be entitled to receive, within 30 days of the Change in Control, Performance Shares equal to the Performance Shares payable to the Grantee if the plan target level for the Performance Period had been achieved prorated to the portion of the Performance Period actually worked by the Grantee through the date of the Change in Control.

#### 4. Transferability of Award.

The Award may not be transferred, pledged, assigned, or otherwise disposed of, except (i) by will or the laws of descent and distribution or (ii) for no consideration, subject to such rules and conditions as may be established by the Committee, to a member or members of the Grantee's Immediate Family. For purposes of this Award Agreement, the Grantee's "Immediate Family" means the Grantee's children, stepchildren, grandchildren, parents, stepparents, grandparents, spouse, former spouse, siblings, nieces, nephews, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships or any person sharing the Grantee's household (other than a tenant or employee).

#### 5. Miscellaneous Provisions.

- a. Rights as a Stockholder. Neither the Grantee nor the Grantee's representative shall have any rights as a stockholder with respect to any Shares subject to this Award until the Award has been settled and Share certificates, if any, have been issued to the Grantee, transferee or representative, as the case may be.
- b. Regulatory Compliance and Listing. The issuance or delivery of any certificates representing Shares issuable pursuant to this Agreement may be postponed by the Committee for such period as may be required to comply with any applicable requirements under the federal or state securities laws, any applicable listing requirements of the New York Stock Exchange, and any applicable requirements under any other Applicable Law, and the Company shall not be obligated to deliver any such Shares to the Grantee if either delivery thereof would constitute a violation of any provision of any law or of any regulation of any governmental authority or the New York Stock Exchange, or the Grantee shall not yet have complied fully with the provisions of Paragraph 2(e) hereof. The Company shall not be liable to the Grantee for any damages relating to any delays in issuing the certificates to the Grantee, any loss of the certificates, or any mistakes or errors in the issuance of the certificates or the certificates themselves.
- c. Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.
- d. Modification or Amendment. This Agreement may only be modified or amended by written agreement executed by the parties hereto; provided, however, that the adjustments permitted pursuant to Section 16 and Section 18(b) of the Plan may be made without such written agreement.
- e. Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been included.
- f. References to Plan. All references to the Plan shall be deemed references to the Plan as may be amended.
- g. Headings. The captions used in this Agreement are inserted for convenience and shall not be deemed a part of this Award for construction or interpretation.
- h. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or by the Company forthwith to the Board or the Committee, which shall review such dispute at its next regular meeting. The resolution of such dispute by the Board or the Committee shall be final and binding on all persons.
- i. Section 409A Compliance. To the extent applicable, it is intended that the Plan and this Agreement comply with the requirements of Section 409A of the Code and any related regulations or other guidance promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service ("Section 409A"). Any provision of the Plan or this Agreement that would cause this Award to fail to satisfy Section 409A shall have no force or effect until



amended to comply with Section 409A, which amendment may be retroactive to the extent permitted by Section 409A.

- j. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

**PHILLIPS-VAN HEUSEN  
CORPORATION**

By: \_\_\_\_\_

Name:

Title:

The Grantee represents that s/he is familiar with the terms and provisions thereof, and hereby accepts this Agreement subject to all of the terms and provisions thereof. The Grantee has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands all provisions of this Agreement. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

Grantee

**EXHIBIT A**