





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

On January 23, 2006, our Board of Directors approved the adoption of the Talk America Executive Nonqualified Savings Plan (the "Plan"). The Plan, which is to be effective as of February 1, 2006, is intended to be a nonqualified deferred compensation plan that complies with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended. The Plan is available for certain management and other highly compensated employees of our subsidiary, Talk America Inc. ("Talk America"), and certain of its subsidiaries, and permits the deferral by participants of up to 15% of their annual compensation, subject to certain limits. Talk America, in its sole discretion, may make matching contributions to certain participants or groups of participants in an amount equal to \$.25 for each \$1.00 of compensation deferred by them, up to a maximum of 4% of their compensation.

The foregoing discussion of the Plan and its terms is only a summary. A copy of the Plan is incorporated by reference in Exhibit 10.1 of this Report.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

Number Description

10.1 Talk America Executive Nonqualified Savings Plan (incorporated by reference to Exhibit 4.1 to Registrant's Registration Statement on Form S-8 (Registration No. 333-131230)).\*

\*Management contract or compensation plan or arrangement.

**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.

**TALK AMERICA HOLDINGS,  
INC.**

Date: January 23, 2006

By: /s/ Aloysius T. Lawn IV  
Name: Aloysius T. Lawn IV  
Title: Executive Vice President -  
General  
Counsel and Secretary

**EXHIBIT INDEX**

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