
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, 2005**

SIMON PROPERTY GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-14469
(Commission
File Number)

04-6268599
(IRS Employer
Identification No.)

115 WEST WASHINGTON STREET
INDIANAPOLIS, INDIANA
(Address of principal executive offices)

46204
(Zip Code)

Registrant's telephone number, including area code: **317.636.1600**

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))

ITEM 1.01 Entry into a Material Definitive Agreement.

At its meeting on October 26, 2005, the Board of Directors of Simon Property Group, Inc. approved a revised compensation program for non-employee Directors. The revised program includes changes to the cash components of the annual retainer, committee attendance fees, chairman fees and Lead Director compensation that will become effective January 1, 2006, and changes to the stock-based element of most of those fees that will be subject to approval of amendments to the 1998 Stock Incentive Plan at the 2006 annual meeting of stockholders.

The Governance Committee of the Board of Directors requested and received information from an independent compensation consultant on the director compensation practices of fifteen (15) of the Company's real estate peers. After discussing this information with the consultant, the proposed changes to non-employee Director compensation were recommended by the Governance Committee to the full Board of Directors for action.

A summary of non-employee Director compensation reflecting the action of the Board is attached hereto as Exhibit 10.1 and incorporated by reference herein.

ITEM 9.01 Financial Statements and Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 10.1 | Summary of Compensation to Non-Employee Directors |

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 thereunto duly authorized.

Dated: October 28, 2005

SIMON PROPERTY GROUP, INC.

By: /s/ Stephen E. Sterrett
Stephen E. Sterrett,
Executive Vice President and
Chief Financial Officer

**SIMON PROPERTY GROUP, INC.
SUMMARY OF COMPENSATION OF
NON-EMPLOYEE DIRECTORS
(effective January 1, 2006 or thereafter(1))**

Annual Retainer:

- Non-employee members of the Board will receive a retainer in cash and restricted stock.
- The cash component will be \$55,000.
- The restricted stock award will have a value of \$82,500(2).
- The retainer will be payable annually, upon election, re-election or appointment to the Board(3).

Committee Chair Retainers:

Each non-employee Committee Chair will receive:

- Audit - \$20,000, payable one-half in cash and one-half in restricted stock.
- All other Committees (except Executive Committee) - \$15,000, payable one-half in cash and one-half in restricted stock.

Meeting Fees:

- No fees for attending Board meetings.
- Committee meetings - \$1,000 per meeting attended(4).

Lead Director Compensation:

The non-employee Director designated as Lead Director will receive an additional retainer of \$25,000 annually, payable one-half in cash and one-half in restricted stock(3).

Vesting of Restricted Stock

All restricted stock compensation received by non-employee Directors will vest one year after the award.

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- (1) All stock-based elements are subject to approval of amendments to the 1998 Stock Incentive Plan at the 2006 Annual Meeting of Stockholders.
 (2) Grants of restricted stock will be valued at the value of the underlying common stock on the date of grant and will vest in full one year from the date of grant.
 (3) Pro-rated for partial years of service.
 (4) The fee will be paid for attendance in person, by telephone or by video conference.
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Director Ownership Guidelines:

- Under the Company's Governance Principles, Directors must own 3,000 shares or more of Company common stock within one year after their initial election or appointment and 5,000 shares or more two years from such date.
- Restricted stock will qualify for this purpose only after full vesting.

Deferred Compensation:

- All restricted stock issued to non-employee Directors as retainers will be placed in the Company's Nonqualified Deferred Compensation Plan for Non-Employee Directors. Dividends paid on the restricted stock in this account must be reinvested in Company common stock.
- Amounts in a Deferred Compensation Plan will not be released until a Director retires and resigns from the Board or is not re-elected.

Expense Reimbursement and Travel:

The Company pays or reimburses expenses for Directors' travel on Board business. In most cases, and based on the Director's preference, the Company will handle any travel arrangements, book airline and hotel reservations and cover billings.
