
**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 6, 2005

PolyOne Corporation

(Exact Name of Registrant as Specified in Charter)

Ohio
(State or Other
Jurisdiction
of Incorporation)

1-16091
(Commission File No.)

34-1730488
(I.R.S. Employer
Identification No.)

**PolyOne Center, 33587 Walker Rd.
Avon Lake, Ohio 44012**
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code:
(440) 930-1000

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:

- 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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Item 1.01 Entry into a Definitive Material Agreement.

On October 6, 2005, in connection with the resignation of Thomas A. Waltermire as the President and Chief Executive Officer and a Director of PolyOne Corporation (the "Company"), the Company and Mr. Waltermire entered into a separation agreement term sheet (the "Term Sheet") regarding the terms and conditions applicable to the cessation of Mr. Waltermire's employment with the Company until the parties can enter into a mutually-agreeable definitive separation agreement.

Pursuant to the terms of the Term Sheet and subject to any changes that may be necessary or appropriate under Section 409A of the Internal Revenue Code of 1986, as amended, to avoid penalties or additional taxes, Mr. Waltermire will continue to receive his regular monthly salary for 36 months, receive a bonus under the Company's senior executive annual incentive plan for 2005 to the extent such bonus is earned in accordance with the terms of the plan (but will not be eligible for a bonus under such plan for any subsequent period), receive payments under the Company's long-term executive incentive plans for periods in existence but not completed as of 2005 to the extent such payments are earned in accordance with the terms of the plans (and prorated for the amount of service completed in each performance period), and continue to receive health care and certain other benefits.

The foregoing description of the Term Sheet does not purport to be complete, and is qualified in its entirety by reference to the full text of the Term Sheet, a copy of which is filed as Exhibit 10.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

**Exhibit
No.**

Description

10.1	Separation Agreement Term Sheet between PolyOne Corporation and Thomas A. Waltermire, dated October 6, 2005
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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.

Date: October 11, 2005

POLYONE CORPORATION

By: /s/ Wendy C. Shiba

Name: Wendy C. Shiba

Title: Vice President, Chief Legal Officer
and Secretary

EXHIBIT INDEX

Exhibit No.	Description
10.1	Separation Agreement Term Sheet between PolyOne Corporation and Thomas A. Waltermire, dated October 6, 2005

SEPARATION AGREEMENT TERM SHEET

This Separation Agreement Term Sheet ("Term Sheet") is entered into as of October 6, 2005 (the "Termination Date") by and between Thomas A. Waltermire ("Executive") and PolyOne Corporation ("PolyOne" or "Company"):

WHEREAS, prior to the Termination Date, Executive was the President and Chief Executive Officer of PolyOne;

WHEREAS, as of the Termination Date, PolyOne and Executive have mutually determined that Executive shall resign his all positions with PolyOne;

WHEREAS, the parties intend to develop a mutually-agreeable Separation Agreement (the "Agreement") detailing all the terms and conditions applicable to, as well as all payments and benefits associated with, the cessation of Executive's employment with the Company;

WHEREAS, in order to document their agreements until such time as a final Agreement can be developed, the parties have signed this Term Sheet as of the Termination Date;

NOW, THEREFORE, in consideration of the promises and agreements contained herein, the Company and Executive agree as follows:

1. Resignation. Executive shall resign as of the Termination Date from all positions with the Company, including all positions as an officer or director of the Company.

2. Salary Continuation. For a time period (the "Severance Period") beginning on the Termination Date and ending 36 months later, Executive shall be paid his regular monthly salary in accordance with the Company's regular payroll practices and subject to the regular withholdings and deductions.

3. Annual Incentive Plan. Executive shall receive his annual bonus for 2005 under the Senior Executive Annual Incentive Plan in accordance with the terms of the plan, and shall not be eligible for a bonus in any subsequent period.

4. Long Term Incentive. Executive shall receive additional compensation under the Company's long term executive incentive Plans as follows: he shall receive the full amount that would be payable to him for the Performance Period 2003-2005; two-thirds of the amount that would be payable to him for the Performance Period 2004-2006; and one-third of the amount that would be payable to him for the Performance Period 2005-2007.

5. Equity. Executive shall not be eligible for any additional grants of stock options, performance shares, or share appreciation rights (collectively, the "Equity") after the Termination Date. Executive's rights with respect to any Equity granted to him prior to the Termination Date shall be governed by the terms and conditions of the applicable plans based on his termination of employment as of the end of the Severance Period.

6. Benefits. During the Severance Period, Executive shall receive the following benefits: (a) Executive shall be allowed to continue as a plan participant under the Company's health care plan during the Severance Period, subject to the terms and conditions of the plan, and at the conclusion of the Severance Period, Executive may continue, at his cost, his participation in the health care plan pursuant to COBRA; (b) Executive shall continue to receive any company-provided life insurance benefit; (c) Executive shall be entitled to continue his current car allowance pursuant to the Company's policies; (d) Executive shall continue to receive financial planning services; and (e) Executive shall receive outplacement services in accordance with Company's usual policies and limits.

7. Release and Non-disparagement. The Agreement will include a full release of claims by Executive, and a mutual non-disparagement provision.

8. Non-competition and Non-solicitation. The Agreement will include mutually-acceptable non-competition and non-solicitation provisions.

9. Compensation Committee Approval Required. Nothing in this Term Sheet shall be binding until the Term Sheet is approved by the Compensation and Governance Committee of the Company's Board of Directors.

IN WITNESS WHEREOF, the parties have executed and delivered this Term Sheet as of the date set forth above.

POLYONE CORPORATION

By: /s/ Farah M. Walters

Its: Chair, Compensation &
Governance Committee

Date: October 6, 2005

/s/ Thomas A. Waltermire

THOMAS A. WALTERMIRE