

**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): **June 18, 2009 (June 12, 2009)**

Avis Budget Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-10308
(Commission File Number)

06-0918165
(IRS Employer Identification Number)

6 Sylvan Way
Parsippany, NJ
(Address of Principal Executive Offices)

07054
(Zip Code)

(973) 496-4700
(Registrant's telephone number, including area code)

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 (see General Instruction A.2. below):

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

(e) On June 12, 2009, at the Company's Annual Meeting of Stockholders (the "Annual Meeting"), the Company's stockholders approved an amendment to the Avis Budget Group, Inc. 2007 Equity and Incentive Plan (the "2007 Plan"). As a result:

- the number of shares of the Company's Common Stock authorized for issuance under the 2007 Plan has been increased by 4,500,000 shares, increasing the total number of shares of the Company's Common Stock authorized for issuance pursuant to the 2007 Plan from 8,000,000 to 12,500,000;
- "total stockholder return" and "share price" have been added as performance goal criteria; and
- the Change in Control provisions have been revised to provide for the acceleration of awards only after both a Change in Control (as defined in the 2007 Plan) of the Company occurs and a participant is terminated without cause or experiences a constructive discharge within two years following a Change in Control of the Company, following the effectiveness of the amendment.

The foregoing description of the amendment to the 2007 Plan does not purport to be complete and is qualified in its entirety by reference to the full text of Amendment No. 2 to the Avis Budget Group, Inc. Equity and Incentive Plan, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 8.01**Other Events.**

On June 12, 2009, at the Company's Annual Meeting, the Company's stockholders approved the adoption of the Avis Budget Group, Inc. Employee Stock Purchase Plan (the "ESPP"). The full text of the ESPP is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

(99) Exhibits.

The following exhibits are filed as part of this report:

Exhibit No.	Description
10.1	Amendment No. 2 to the Avis Budget Group, Inc. 2007 Equity and Incentive Plan.
10.2	Avis Budget Group, Inc. Employee Stock Purchase Plan.

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 hereto duly authorized.

AVIS BUDGET GROUP, INC.

By: /s/ Jean M. Sera
Name: Jean M. Sera
Title: Senior Vice President and Secretary

Date: June 18, 2009

AVIS BUDGET GROUP, INC.
CURRENT REPORT ON FORM 8-K
Report Dated June 18, 2009 (June 12, 2009)

EXHIBIT INDEX

Exhibit No.

Description

10.1

Amendment No. 2 to the Avis Budget Group, Inc. 2007 Equity and Incentive Plan.

10.2

Avis Budget Group, Inc. Employee Stock Purchase Plan.

**AMENDMENT NO. 2 TO THE
2007 EQUITY AND INCENTIVE PLAN**

THIS AMENDMENT TO THE 2007 EQUITY AND INCENTIVE PLAN (this "Amendment") is made as of March 18, 2009.

WHEREAS, the Board of Directors (the "Board") of Avis Budget Group, Inc. (the "Company") wishes to amend the 2007 Equity and Incentive Plan (the "Plan") as set forth below to, among other things, increase the number of Shares reserved for issuance under the Plan by adding an additional 4.5 million Shares and modify the treatment of Awards (as defined in the Plan) issued pursuant to the Plan following the date hereof on a Change in Control of the Company (as defined in the Plan); and

WHEREAS, Section 8(d) permits the Board to amend the Plan;

NOW, THEREFORE, the Plan is hereby amended as follows, subject to shareholder approval at the Company's annual meeting:

1. Section 2(d)(4) of the Plan is hereby deleted in its entirety and replaced with the following:

the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated a sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 75% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

2. The following shall be included as criteria in Section 2(r) of the Plan upon which Performance Goals (as defined in the Plan) may be based: total stockholder return, share price.

3. Section 2(bb) is hereby deleted in its entirety.

4. The first and second sentences of Section 5 of the Plan are hereby deleted in their entirety and replaced with the following sentences:

The maximum number of shares of Stock reserved for the grant of Awards under the Plan shall be 12,500,000 shares of Stock (all of which shares of Stock may be granted as ISOs), subject to adjustment as provided herein; provided that each Award granted hereunder after March 18, 2009 (other than Awards in respect of Options and SARs) shall be counted against the foregoing share limit as 1.18 shares for every one share actually issued in connection with such Award. Subject to adjustment as provided herein, no more than 1,000,000 shares of Stock may be made subject to Awards granted to an individual in a single calendar year.

5. Section 7 of the Plan is hereby deleted in its entirety and replaced with the following paragraphs:

- (a) Unless the applicable Award Agreement provides otherwise or in the case of Awards that do not constitute deferred compensation under Section 409A of the Code, unless otherwise determined by the Committee in its discretion, in the event of a Change in Control, (i) each Award outstanding as of the Change in Control shall be assumed, continued, or substituted, effective as of the consummation of the Change in Control, with a new award with an intrinsic value equivalent to that of the original Award and on terms at least as beneficial to the Grantee as those contained in the Grantee's original Award Agreement (as determined by an independent third party) and (ii) in the event that, within two years following a Change in Control, the Grantee's service with the Company and its affiliates is terminated (x) by the Company or any of its affiliates for any reason other than for Cause or (y) by the Grantee as a result of a Constructive Discharge, all outstanding Awards granted to a Grantee which have not theretofore vested shall immediately vest and become exercisable and all restrictions on such Awards shall immediately lapse.

- (b) “Constructive Discharge” shall have the meaning assigned to such term (or a similar term) in any individual employment agreement or offer letter entered into between the Grantee and the Company or one of its Subsidiaries. If the Grantee has not entered into any such agreement, or such agreement does not define the term “Constructive Discharge,” a termination of service as a result of a Constructive Discharge shall mean a termination of service by the Grantee from the Company and its Subsidiaries following either (i) a material reduction in the Grantee’s base compensation, (ii) a material adverse change in the nature or status of the Grantee’s duties or responsibilities from those in effect immediately prior to a Change in Control, or (iii) a relocation of more than 30 miles from the Grantee’s principal place of employment immediately prior to the Change in Control; provided, that, in each case, the Grantee shall not be permitted to terminate service as a result of a Constructive Discharge unless the Grantee provides the Company with written notice of the occurrence of the action constituting Constructive Discharge within 30 days following the occurrence of such action, the Grantee provides the Company with a minimum of 30 days following delivery of the written notice to cure such action, and the Grantee terminates service within 90 days following the occurrence of such action.
- (c) “Cause” shall have the meaning assigned to such term (or a similar term) in any individual employment agreement or offer letter entered into between the Grantee and the Company or one of its Subsidiaries. If the Grantee has not entered into any such agreement, or such agreement does not define the term “Cause,” a termination of service for Cause shall mean: (i) the Grantee’s willful failure to substantially perform his duties as an employee of the Company or any Subsidiary (other than any such failure resulting from the Grantee’s incapacity due to physical or mental illness); (ii) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Company or any Subsidiary; or (iii) conviction of a felony or any crime involving moral turpitude (which conviction, due to the passage of time or otherwise, is not subject to further appeal).

6. The terms of this Amendment shall apply to each Award issued pursuant to the Plan following the date hereof.

7. This Amendment shall be governed by, interpreted under and construed in accordance with the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

8. Except as modified by this Amendment, the Plan is hereby confirmed in all respects.

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date and the year first written above.

**AVIS BUDGET GROUP,
INC.**

/S/ JEAN M. SERA

By: Jean M. Sera

Title: Senior Vice President and
Secretary

**AVIS BUDGET GROUP, INC.
EMPLOYEE STOCK PURCHASE PLAN**

**ARTICLE I
PURPOSE AND SCOPE OF THE PLAN**

1.1 Purpose

The Avis Budget Group, Inc. Employee Stock Purchase Plan is intended to encourage employee participation in the ownership and economic progress of the Company.

1.2 Definitions

Unless the context clearly indicates otherwise, the following terms have the meaning set forth below:

Board of Directors or *Board* shall mean the Board of Directors of the Company.

Code shall mean the Internal Revenue Code of 1986, as amended from time to time, together with any applicable regulations issued thereunder.

Committee shall mean the Board, or a committee designated by the Board to administer the Plan, which Committee shall administer the Plan as provided in Section 1.3 hereof.

Company shall mean Avis Budget Group, Inc., a corporation organized under the laws of the State of Delaware, or any successor corporation.

Compensation shall mean the fixed salary or base hourly wage paid by the Company to an Employee as reported by the Company to the United States government (or other applicable government) for income tax purposes, including an Employee's portion of salary deferral contributions pursuant to Section 401(k) of the Code and any amount excludable pursuant to Section 125 of the Code, but excluding any commissions, bonus, fee, overtime pay, severance pay, expenses, stock option or other equity incentive income, or other special emolument or any credit or benefit under any employee plan maintained by the Company.

Continuous Service shall mean the period of time, uninterrupted by a termination of employment (other than a termination as a result of a transfer of employment among the Company or a Designated Subsidiary), that an Employee has been employed by the Company or a Designated Subsidiary (or any combination of the foregoing) immediately preceding an Offering Date. Such period of time shall include any approved leave of absence.

Designated Subsidiary shall mean any subsidiary of the Company that has been designated by the Committee to participate in the Plan.

Employee shall mean any full-time or part-time employee of the Company or a Designated Subsidiary who customarily works for the Company or Designated Subsidiary, as the case may be, for a minimum of twenty hours per week.

Exercise Date shall mean the last day of each month of each Plan Year, unless otherwise determined by the Committee.

Fair Market Value of a share of Stock means the fair market value of such Stock determined by such methods or procedures as shall be established from time to time by the Committee. Unless otherwise determined by the Committee in good faith, the per share Fair Market Value of Stock as of a particular date shall mean (i) the closing price per share of Stock on the national securities exchange on which the Stock is principally traded, for

the last preceding date on which there was a sale of such Stock on such exchange, or (ii) if the shares of Stock are then traded in an over-the-counter market, the average of the closing bid and asked prices for the shares of Stock in such over-the-counter market for the last preceding date on which there was a sale of such Stock in such market, or (iii) if the shares of Stock are not then listed on a national securities exchange or traded in an over-the-counter market, such value as the Committee, in its sole discretion, shall determine.

Offering Date shall mean the first day of each month of each Plan Year, unless otherwise determined by the Committee.

Option Period or *Period* shall mean the period beginning on an Offering Date and ending on the next succeeding Exercise Date, or such other period as determined by the Committee.

Option Price shall mean the purchase price of a share of Stock hereunder as provided in Section 3.1 hereof.

Participant shall mean any Employee who (i) is eligible to participate in the Plan under Section 2.1 hereof and (ii) elects to participate.

Plan shall mean the Company's Employee Stock Purchase Plan, as the same may be amended from time to time.

Plan Account or *Account* shall mean an account established and maintained in the name of each Participant.

Plan Manager shall mean any Employee appointed pursuant to Section 1.3 hereof.

Plan Year shall mean the twelve (12) month period beginning January 1 and ending on the following December 31.

Stock means shares of the common stock, par value \$0.01 per share, of the Company.

1.3 Administration of Plan

Subject to oversight by the Board of Directors or the Board's Compensation Committee, the Committee shall have the authority to administer the Plan and to make and adopt rules and regulations not inconsistent with the provisions of the Plan or the Code. Its interpretations and decisions in respect of the Plan shall, subject to the aforesaid, be final and conclusive. The Committee shall have the authority to appoint an Employee as Plan Manager and to delegate to the Plan Manager such authority with respect to the administration of the Plan as the Committee, in its sole discretion, deems advisable from time to time.

1.4 Effective Date of Plan

The Plan shall become effective on the date established for that purpose by the Committee, if, prior to that date, the Plan (i) has been adopted by the Board of Directors of the Company and (ii) has been approved by an affirmative vote of a majority of the shares of the Company's Stock present, in person or by proxy and entitled to vote on the proposal, at a meeting at which a quorum is present; *provided, however*, that such stockholder approval occurs on a date no later than twelve (12) months following the date the Plan is so adopted. The date established by the Committee as the effective date shall be an Offering Date.

1.5 Extension or Termination of Plan

The Plan shall continue in effect through, and including December 31, 2019 unless terminated prior thereto pursuant to Section 4.3 hereof, or by the Board of Directors or the Compensation Committee of the Board, each of which shall have the right to extend the term of or terminate the Plan at any time. Upon any such termination, the balance, if any, in each Participant's Account shall be refunded to him, or otherwise disposed of in accordance with the policies and procedures prescribed by the Committee in cases where such a refund may not be possible.

**ARTICLE II
PARTICIPATION**

2.1 Eligibility

Participation in the Plan is limited to Employees who meet the requirements of this Section 2.1. Each Employee who, on an Offering Date, will have at least ninety days of Continuous Service may become a Participant by completing the enrollment procedures prescribed by, or on behalf of, the Plan Manager, as revised from time to time. No Employee may participate in the Plan if such Employee, immediately after an Offering Date, would be deemed for purposes of Section 423(b)(3) of the Code to possess 5% or more of the total combined voting power or value of all classes of stock of the Company or any subsidiary. To the extent determined by the Committee prior to the commencement of the Option Period, no Employee may participate in the Plan if such Employee, at the time of the commencement of the Option Period, is an officer of the Company subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934.

2.2 Payroll Deductions

Payment for shares of Stock purchased hereunder shall be made by authorized payroll deductions from each payment of Compensation in accordance with instructions received from a Participant. Such deductions shall be expressed as a whole number percentage which shall be at least 2% but not more than 10%. A Participant may not increase or decrease the deduction during an Option Period. However, a Participant may change the percentage deduction for any subsequent Option Period by filing notice thereof with the Company prior to the Offering Date on which such Period commences. During an Option Period, a Participant may discontinue payroll deductions but have the payroll deductions previously made during that Option Period remain in the Participant's Account to purchase Stock on the next Exercise Date, provided that he or she is an Employee as of that Exercise Date. Any amount remaining in the Participant's Account after the purchase of Stock shall be refunded without interest upon the written request of the Participant. Any Participant who discontinues payroll deductions during an Option Period may again become a Participant for a subsequent Option Period upon completion of the enrollment procedures prescribed by, or on behalf of, the Plan Manager, as revised from time to time. Amounts deducted from a Participant's Compensation pursuant to this Section 2.2 shall be credited to such Participant's Account.

**ARTICLE III
PURCHASE OF SHARES**

3.1 Option Price

The Option Price per share of the Stock sold to Participants hereunder shall be 95% of the Fair Market Value of such share on the Exercise Date of an Option Period (or such greater percentage as is determined by the Committee in advance of an Option Period), but in no event shall the Option Price per share be less than the par value of the Stock.

3.2 Purchase of Shares

On each Exercise Date, the amount in a Participant's Account shall be charged with the aggregate Option Price of the largest number of shares of Stock which can be purchased with such amount. The balance, if any, in such account shall be carried forward to the next succeeding Option Period.

3.3 Limitations on Purchase

Notwithstanding any provisions of the Plan to the contrary, no Employee shall be granted an option under the Plan if, immediately after the grant, such Employee's right to purchase shares under all employee stock purchase plans (as described in Section 423 of the Code) of the Company and any subsidiary of the

Company would accrue at a rate per Option Period which exceeds the lesser of: (a) twenty-five thousand dollars (\$25,000) or (b) an amount equal to ten percent (10%) of the Employee's annualized base salary in effect at the start of such Option Period, in each case of the Fair Market Value of such shares (determined at the time such option is granted); *provided, however*, that for any calendar year in which such option would be outstanding at any time, an Employee's right to purchase shares under all employee stock purchase plans (as described in Section 423 of the Code) of the Company and any subsidiary of the Company may not accrue at a rate which exceeds twenty-five thousand dollars (\$25,000) in the aggregate (as determined at the time such option is granted).

To the extent necessary to comply with Section 423(b)(8) of the Code and the limitations on purchase in this Section 3.3, a Participant's payroll deductions may be decreased to 0% during any Option Period which is scheduled to end during any calendar year, such that the aggregate of all payroll deductions accumulated with respect to such Option Period and any other Option Period ending within the same calendar year is no greater than twenty-five thousand dollars (\$25,000). Payroll deductions shall re-commence at the rate provided for by the Participant's prior election at the beginning of the first Option Period which is scheduled to end in the following calendar year, unless suspended by the Participant pursuant to Section 2.2 of the Plan.

3.4 Transferability of Rights

Rights to purchase shares hereunder shall be exercisable only by the Participant. Such rights shall not be transferable.

ARTICLE IV PROVISIONS RELATING TO COMMON STOCK

4.1 Stock Reserved; Delivery of Stock

A maximum of 2,500,000 shares of Stock may be purchased under the Plan, of which up to 125,000 shares of Stock purchased under the Plan per Option Period may be either newly issued shares or existing treasury shares, and up to 1,000,000 shares of Stock purchased under the Plan in the aggregate may be either newly issued shares or existing treasury shares (in each case, subject to adjustment in accordance with Section 4.2 hereof). Subject to the limitation in the preceding sentence, as determined by the Committee in its sole discretion, any shares of Stock purchased under the Plan may be either newly issued shares, existing treasury shares, or new purchases in the open market.

4.2 Adjustment for Changes in Stock

In the event that adjustments are made in the number of outstanding shares of Stock or such shares are exchanged for a different class of stock of the Company or for shares of stock of any other corporation by reason of merger, consolidation, stock dividend, stock split or otherwise, the Committee may make appropriate adjustments in (i) the number and class of shares or other securities that may be reserved for purchase, or purchased, hereunder, and (ii) the Option Price. All such adjustments shall be made in the sole discretion of the Committee, and its decision shall be binding and conclusive.

4.3 Insufficient Shares

If the aggregate funds available for the purchase of Stock on any Exercise Date would cause an issuance of shares in excess of the number provided for in Section 4.1 hereof, (i) the Committee shall proportionately reduce the number of shares which would otherwise be purchased by each Participant in order to eliminate such excess and (ii) the Plan shall automatically terminate immediately after such Exercise Date.

4.4 Confirmation

Confirmation of each purchase of Stock hereunder shall be made available to the Participant in either written or electronic format. A record of purchases shall be maintained by appropriate entries on the books of the Company. Unless otherwise determined by the Committee, shares of Stock delivered to a Participant hereunder may not be assigned, transferred, pledged or otherwise disposed of in any way by the Participant during the one-year period following such delivery to the Participant (other than by will or the laws of descent and distribution) and the shares of Stock shall bear a legend denoting such restrictions in such form as the Committee determines to be appropriate.

4.5 Rights as Shareholders

The shares of Stock purchased by a Participant on an Exercise Date shall, for all purposes, be deemed to have been issued and sold as of the close of business on such Exercise Date. Prior to that time, none of the rights or privileges of a shareholder of the Company shall exist with respect to such shares.

ARTICLE V TERMINATION OF PARTICIPATION

5.1 Voluntary Withdrawal

A Participant may withdraw from the Plan at any time by filing notice of withdrawal prior to the close of business on an Exercise Date. Upon withdrawal, the entire amount, if any, in a Participant's Account shall be refunded to him without interest. Any Participant who withdraws from the Plan may again become a Participant in accordance with Section 2.1 hereof.

5.2 Termination of Eligibility

If a Participant ceases to be eligible under Section 2.1 hereof for any reason, the dollar amount and the number of unissued shares in such Participant's Account will be refunded or distributed to the Participant, or in the case of death, the Participant's designated beneficiary or estate, or otherwise disposed of in accordance with policies and procedures prescribed by the Committee in cases where such a refund or distribution may not be possible.

ARTICLE VI GENERAL PROVISIONS

6.1 Notices

Any notice which a Participant files pursuant to the Plan shall be made on forms prescribed by the Committee and shall be effective only when received by the Company.

6.2 Condition of Employment

Neither the creation of the Plan nor participation therein shall be deemed to create any right of continued employment or in any way affect the right of the Company or a Designated Subsidiary to terminate an Employee.

6.3 Withholding of Taxes

Each Participant shall, no later than the date as of which the value of an option under the Plan and/or shares of Stock first becomes includible in the income of the Participant for income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any taxes of any kind

required by law to be withheld with respect to such option or shares of Stock. The obligations of the Company under the Plan shall be conditioned upon the making of such payments or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant.

In particular, to the extent a Participant is subject to taxation under U.S. Federal income tax law, if the Participant makes a disposition, within the meaning of Section 424(c) of the Code of any share or shares of Stock issued to Participant pursuant to Participant's exercise of an option, and such disposition occurs within the two-year period commencing on the day after the Offering or within the one-year period commencing on the day after the Exercise Date, Participant shall, within ten (10) days of such disposition, notify the Company thereof and thereafter immediately deliver to the Company any amount of federal, state or local income taxes and other amounts which the Company informs the Participant the Company may be required to withhold.

6.4 Amendment of the Plan

The Board of Directors or the Board's Compensation Committee may at any time, or from time to time, amend the Plan in any respect, except that, without approval of the shareholders, no amendment may increase the aggregate number of shares reserved under the Plan other than as provided in Section 4.2 hereof, materially increase the benefits accruing to Participants or materially modify the requirements as to eligibility for participation in the Plan. Any amendment of the Plan must be made in accordance with applicable provisions of the Code and/or any regulations issued thereunder, any other applicable law or regulations, and the requirements of the principal exchange upon which the Stock is listed.

6.5 Application of Funds

All funds received by the Company by reason of purchases of Stock hereunder may be used for any corporate purpose.

6.6 Legal Restrictions

The Company shall not be obligated to sell shares of Stock hereunder if counsel to the Company determines that such sale would violate any applicable law or regulation.

6.7 Gender

Whenever used herein, use of any gender shall be applicable to both genders.

6.8 Governing Law

The Plan and all rights and obligations thereunder shall be constructed and enforced in accordance with the laws of the State of Delaware and any applicable provisions of the Code and the related regulations.