

ARVINMERITOR INC
Form 11-K
June 30, 2010

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: 1-15983

A. Full title of the plan and address of the plan, if different from that of the issuer named below:

ArvinMeritor, Inc. Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

ArvinMeritor, Inc.
2135 West Maple Road
Troy, Michigan 48084

ARVINMERITOR, INC.
SAVINGS PLAN

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Report of Independent Registered Public Accounting Firm

To the ArvinMeritor, Inc. Employee Benefit Plan Committee and Participants

We have audited the accompanying statement of net assets available for benefits of ArvinMeritor, Inc. Savings Plan (the "Plan") as of December 31, 2009 and 2008 and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting.

Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plan as of December 31, 2009 and 2008 and the changes in net assets for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Plante & Moran, PLLC

Clinton Township, Michigan
June 28, 2010

**ARVINMERITOR, INC.
SAVINGS PLAN**

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS		
Participant-directed investments		
Mutual funds	\$ 152,214,814	\$ 114,651,223
Common collective fund	37,554,966	31,557,833
Common stock	54,550,233	7,589,474
Participant loans	5,161,987	5,189,181
Total investments at fair value	249,482,000	158,987,711
Cash	307,773	5,004
Accrued receivables	730,573	3,145,468
TOTAL ASSETS	250,520,346	162,138,183
LIABILITIES - Accrued administrative expenses	21,715	2,383
Net assets at fair value	250,498,631	162,135,800
Adjustment from fair value to contract value for interest in common collective trust funds relating to fully benefit-responsive investment contracts	(1,127,766)	295,829
NET ASSETS AVAILABLE FOR BENEFITS	\$ 249,370,865	\$ 162,431,629

**ARVINMERITOR, INC.
SAVINGS PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2009**

CONTRIBUTIONS		
Participant contributions	\$	9,768,237
Employer contributions, net of forfeitures		4,806,162
Total contributions, net of forfeitures		14,574,399
INVESTMENT INCOME		
Dividends and interest		4,222,581
Net appreciation in fair value of investments		90,014,370
Net investment income		94,236,951
DEDUCTIONS		
Benefits paid to participants		(21,800,185)
Administrative expenses		(71,929)
Total deductions		(21,872,114)
INCREASE IN NET ASSETS		86,939,236
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year		162,431,629
End of year	\$	249,370,865

See accompanying notes to financial statements.

ARVINMERITOR, INC. SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2009 AND 2008, AND FOR THE YEAR ENDED DECEMBER 31, 2009

1. DESCRIPTION OF THE PLAN

The following description of the amended and restated ArvinMeritor, Inc. Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General – The Plan is a defined contribution savings plan covering eligible salaried and certain non-union hourly employees of ArvinMeritor, Inc. and other affiliated companies (the "Company" or "ArvinMeritor"). Eligible employees may participate in the Plan immediately on the date they become employees. The Plan is administered by the Company's Employee Benefit Plan Committee and the Plan Administrator. The trustee for the Plan assets is T. Rowe Price Trust Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Employee Contributions – Eligible employees may elect to contribute up to 20% of their compensation, by electing to defer receipt of compensation (pre-tax contribution) or authorizing deductions from compensation (after-tax contribution), subject to the limits prescribed under the Internal Revenue Code ("IRC"). Participants can elect to have their contributions invested in 5% increments in various investment funds.

The Plan allows participants who are at least age 50 by the end of the plan year to make additional pre-tax contributions up to the limits prescribed under the IRC.

Employer Matching Contributions – Participants are immediately eligible for matching contributions. The Company matches 100% of the participant's contribution up to the first 3% of eligible compensation deferred and 50% of the participant's contribution on the next 3% of eligible compensation deferred. Company matching contributions are invested according to the investment mix participants have elected for their own contributions. Effective February 1, 2009, the Company suspended the employer matching contribution for all current and future plan participants. The Company match was reinstated effective November 16, 2009.

Employer Pension Contributions – Eligible employees hired on or after October 1, 2005 receive a Pension Contribution into the Plan in lieu of accruing benefits under the Company's defined benefit plan. Effective January 1, 2008, eligible employees hired prior to October 1, 2005 who were not 50 years old with at least 10 years of service with the Company, or had at least 20 years of service with the Company began receiving Pension Contributions into the Plan in the same manner as salaried employees hired after October 1, 2005. Pension Contributions are fully funded by the Company and are made to all eligible employees regardless of whether they choose to contribute to the Plan. Pension Contributions range between 2% and 4% of participants' compensation. Pension Contributions are invested according to the investment mix participants have elected for their own contributions.

Participant Accounts – Individual accounts are maintained for each plan participant. Each participant's account is credited with the participant's contributions, the Company's matching contributions, Pension Contributions, if applicable, and an allocation of Plan earnings, and is charged with withdrawals and an allocation of Plan losses and administrative expenses.

ARVINMERITOR, INC. SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS – (Continued)
AS OF DECEMBER 31, 2009 AND 2008, AND FOR THE YEAR ENDED DECEMBER 31, 2009

Allocations are based on participants' account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Investments – Participants direct the investment of contributions into various investment options offered by the Plan. The Plan currently offers 20 mutual funds, a common collective trust fund and the Company's common stock as investment options for participants.

Vesting – Amounts attributable to participant contributions and employer matching contributions are fully vested at all times. Pension Contributions vest in annual 20% increments beginning with the completion of the second year of service. Participants become fully vested after they reach six years of service. Forfeited Pension Contributions are netted against employer contributions.

Plan Withdrawals – Vested amounts contributed may be withdrawn by, or distributed to, a participant only upon (1) termination of employment or (2) attaining the age of 59½. Pre-tax withdrawals prior to attaining age 59½ are not permitted except in the event of retirement, disability or as a hardship distribution. Certain income tax penalties may apply to withdrawals or distributions prior to age 59½. Upon termination of service due to death, disability, retirement or other reasons, a participant would generally receive an amount equal to the value of the participant's vested interest in their account as a lump-sum distribution.

Transfers –The Company also sponsors a separate defined contribution savings plan for certain hourly employees. The Plan allows for employees changing status between union hourly and certain non-union hourly or salaried to move invested assets to the Plan that corresponds to their current status. During 2009, there were no transfers.

Participant Loans –Participants may borrow from their accounts an amount not less than \$1,000 and not greater than the lesser of (i) \$50,000 less the amount of loans outstanding during the preceding 12-month period, (ii) amounts in the participant's account attributable to participant contributions, or (iii) one-half of the participant's vested account balance. The loans are secured by the balances in the respective participants' accounts.

Interest is charged at 1% over the prime rate in place at the loan origination date, which is defined as the base rate on corporate loans posted by at least 75% of the 30 largest U.S. banks. At year end, interest rates charged on outstanding balances ranged from 4.25% to 9.50%. The loans are repaid through payroll deductions over periods not to exceed 60 months unless they are for the purchase of a primary residence. Payments of principal and interest are reinvested under the participant's current investment election for new contributions. Participants may have only one outstanding loan.

Plan Termination – Although the Company has not expressed any intent to terminate the Plan, it reserves the right to do so at any time. In the event of termination of the Plan, participants with Pension Contribution balances would become fully vested.

ARVINMERITOR, INC. SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS – (Continued)
AS OF DECEMBER 31, 2009 AND 2008, AND FOR THE YEAR ENDED DECEMBER 31, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Investment Valuation –The Plan's investments are stated at fair value, except for a stable value common collective trust fund that primarily invests in benefit-responsive investment contracts (commonly referred to as a stable value fund), which is valued at contract value. Contract value represents investments at cost plus accrued interest income less amounts withdrawn to pay benefits. The fair value of the stable value common collective trust fund is based on discounting the related cash flows of the underlying guaranteed investment contracts based on current yields of similar instruments with comparable durations. Mutual funds and common stock are reported at fair value based on quoted market prices. Participant loans are reported at their outstanding balances, which approximate fair value. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

Security Transactions and Investment Income – Purchases and sales of securities are reported on a trade-date basis. Dividends are recorded on the ex-dividend date and interest income is recorded on the accrual basis.

Administrative Expenses – Administrative expenses for services required by the Plan document are paid by the Plan. All expenses not required by the Plan are paid by the Company. The amounts reported in the financial statements represent administrative expenses paid by the Plan.

Benefit Payments – Benefit payments to participants are recorded upon distribution.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties – The Plan utilizes various investment instruments which are exposed to various risks related to, among other things, interest rate, foreign currency, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Change in Presentation/Reclassification – The Plan expanded the presentation of the investment categories in the fair value table in Note 4 from the prior year's presentation in accordance with applicable authoritative guidance. The Plan also reclassified cash out of the investments section of Plan assets to the non-investment assets section of Plan assets as it is not an interest-bearing instrument.

ARVINMERITOR, INC. SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS – (Continued)
AS OF DECEMBER 31, 2009 AND 2008, AND FOR THE YEAR ENDED DECEMBER 31, 2009

3. INVESTMENTS

The Plan's significant investments as of December 31, 2009 and 2008 are as follows:

	2009	2008
Mutual funds - At fair value:		
Goldman Sachs Core International Equity Fund	\$ 11,460,169	\$ 9,024,219
T. Rowe Price Mid-Cap Growth Fund	26,212,457	18,936,745
T. Rowe Price Growth and Income Fund	22,494,383	18,110,945
Vanguard Institutional Index Fund	16,626,462	13,928,174
Pimco U.S. Total Return Admin	14,763,711	12,221,125
Common Collective Trust Fund - At contract value:		
T. Rowe Price Stable Value Common Trust Fund	36,427,200	31,853,662
Common stock - At fair value:		
ArvinMeritor, Inc.	54,550,233	7,589,474

During 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Mutual funds	\$	33,145,427
Common stock - ArvinMeritor, Inc.		56,868,943
Net appreciation	\$	90,014,370

4. FAIR VALUE MEASUREMENTS

Effective January 1, 2008, the Plan adopted the guidance in ASC Topic 820, Fair Value Measurements and Disclosures. The guidance provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC Topic 820 are described below:

- Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access.
- Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

ARVINMERITOR, INC. SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS – (Continued)
AS OF DECEMBER 31, 2009 AND 2008, AND FOR THE YEAR ENDED DECEMBER 31, 2009

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Plan also holds other assets and liabilities not measured at fair value on a recurring basis, including accrued income, accrued liabilities and payables and unsettled trades. The fair value of these assets and liabilities is equal to the carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

Investments measured at fair value on a recurring basis at December 31, 2009 are as follows:

	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Equity investments	\$ 95,664,105	\$ -	\$ -	\$ 95,664,105
Fixed income investments	14,763,711	-	-	14,763,711
Balanced investments	1,302,162	-	-	1,302,162
Retirement-year based investments	40,484,836	-	-	40,484,836
Common collective fund (1)	-	37,554,966	-	37,554,966
Common stock - ArvinMeritor, Inc.	54,550,233	-	-	54,550,233
Participant loans	-	-	5,161,987	5,161,987
Total investments at fair value	\$ 206,765,047	\$ 37,554,966	\$ 5,161,987	\$ 249,482,000

Investments measured at fair value on a recurring basis at December 31, 2008 are as follows:

	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Equity investments	\$ 72,737,893	\$ -	\$ -	\$ 72,737,893
Fixed income investments	12,221,125	-	-	12,221,125
Balanced investments	1,138,140	-	-	1,138,140
Retirement-year based investments	28,554,065	-	-	28,554,065
Common collective fund (1)	-	31,557,833	-	31,557,833
Common stock - ArvinMeritor, Inc.	7,589,474	-	-	7,589,474
Participant loans	-	-	5,189,181	5,189,181
Total investments at fair value	\$ 122,240,697	\$ 31,557,833	\$ 5,189,181	\$ 158,987,711

(1) This category represents investments in the T. Rowe Price Stable Value Common Trust Fund that invests primarily in investment contracts, a variety of fixed income investments which may include corporate bonds, both U.S. and non-U.S. municipal securities, and wrapper contracts. Investments are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

**ARVINMERITOR, INC.
SAVINGS PLAN**

NOTES TO FINANCIAL STATEMENTS – (Continued)
AS OF DECEMBER 31, 2009 AND 2008, AND FOR THE YEAR ENDED DECEMBER 31, 2009

The following table sets forth a summary of the changes in the fair value of the Plan's level 3 investment assets for the year ended December 31, 2009:

	Participant Loans
Balance, beginning of year	\$ 5,189,181
Loan issuances, payments and settlements - net	(27,194)
Balance, end of year	\$ 5,161,987

5. TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated September 25, 2003, that the Plan was designed in accordance with applicable sections of the IRC. The Plan has been amended since receiving the determination letter.

The Plan requested an updated determination letter on January 29, 2008. The Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and is exempt from federal taxes as of December 31, 2009 and 2008. Therefore, no provision for income taxes has been included in the Plan's financial statements.

6. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by T. Rowe Price Trust Company. T. Rowe Price Trust Company is the trustee as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions.

At December 31, 2009 and 2008, the Plan held 4,879,269 and 2,662,973 shares, respectively, of common stock of ArvinMeritor with a fair value of \$54,550,233 and \$7,589,474, respectively. During the year ended December 31, 2009, the Plan recorded no dividend income from common stock of ArvinMeritor.

**ARVINMERITOR, INC.
SAVINGS PLAN**

NOTES TO FINANCIAL STATEMENTS – (Continued)
AS OF DECEMBER 31, 2009 AND 2008, AND FOR THE YEAR ENDED DECEMBER 31, 2009

7. RECONCILIATION TO FORM 5500

The net assets on the financial statements differ from the net assets on the Form 5500 due to a common collective trust fund being recorded at contract value on the financial statements and at fair value on the Form 5500. The net assets on the financial statements were lower than those on the Form 5500 at December 31, 2009 by \$1,127,766 and higher at December 31, 2008 by \$295,829. Additionally, the investment income on the Form 5500 for the year ended December 31, 2009 is higher than that on the financial statements by \$1,423,595.

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**ARVINMERITOR, INC.
SAVINGS PLAN**

 FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 AS OF DECEMBER 31, 2009

EIN 38-3354643, Plan No. 333

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
	Mutual funds		
Alliance Bernstein	Value Fund	**	\$ 2,068,549
Goldman Sachs	Core International Equity Fund	**	11,460,169
Lord Abbett	Small Cap Value	**	7,686,535
Pimco	U.S. Total Return Admin	**	14,763,711
Vanguard	Institutional Index Fund	**	16,626,462
* T. Rowe Price	Mid-Cap Growth Fund	**	26,212,457
* T. Rowe Price	Growth and Income Fund	**	22,494,383
* T. Rowe Price	Growth Stock Fund	**	9,115,550
* T. Rowe Price	Retirement 2005 Fund	**	122,042
* T. Rowe Price	Retirement 2010 Fund	**	6,879,872
* T. Rowe Price	Retirement 2015 Fund	**	1,477,932
* T. Rowe Price	Retirement 2020 Fund	**	10,731,497
* T. Rowe Price	Retirement 2025 Fund	**	1,233,905
* T. Rowe Price	Retirement 2030 Fund	**	11,419,835
* T. Rowe Price	Retirement 2035 Fund	**	889,674
* T. Rowe Price	Retirement 2040 Fund	**	6,981,287
* T. Rowe Price	Retirement 2045 Fund	**	541,072
* T. Rowe Price	Retirement 2050 Fund	**	102,530
* T. Rowe Price	Retirement 2055 Fund	**	105,190
* T. Rowe Price	Retirement Income Fund	**	1,302,162
	Common collective trust fund		
* T. Rowe Price	Stable Value Common Trust Fund	**	37,554,966
* ArvinMeritor	ArvinMeritor, Inc. common stock	**	54,550,233
* Participant loans	Interest recorded at 1% over prime rate (4.25%-9.50%), and maturities up to 60 months		5,161,987
			\$ 249,482,000

* Party-in-interest

** Cost information not required

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ARVINMERITOR, INC. SAVINGS PLAN

By: /s/ Danielle Riddell
Danielle Riddell, Plan Administrator

June 28, 2010

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