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): December 30, 2005

PC Connection, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware	**0-23827**	**02-0513618**
(State or Other Jurisdiction of Incorporation	**(Commission File Number)**	**(IRS Employer Identification No.)**

730 Milford Road **Merrimack, New Hampshire**	**03054**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: 603-683-2000

(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))

Item 1.01. Entry into a Material Definitive Agreement.

Acceleration of Options

On December 30, 2005, the Board of Directors of PC Connection, Inc. (the "Company") approved the acceleration of the vesting of the following outstanding options: (1) all unvested options from grants of 20,000 shares or more held by officers of the Company and any of its subsidiaries that would otherwise vest in 2006, (2) all "market condition" options (those options whose vesting depends upon reaching certain stock prices), held by officers, and (3) all unvested options from grants of less than 20,000 shares, held by directors, officers and other employees. The vesting of options to purchase approximately 714,000 shares of common stock with exercise prices ranging from $4.73 to $10.53 per share, with a weighted average exercise price of $6.94 per share, were accelerated, including 451,625 shares held by executive officers of the Company. The acceleration of vesting resulted in an expense of approximately $35,000 in the fourth quarter of 2005. Vesting was not accelerated for options held by officers to purchase approximately 470,000 shares.

Beginning January 1, 2006, the Company will be required to adopt the provisions of Statement of Financial Accounting Standard No. 123(R), "Share Based Payment" ("FAS 123(R)"), which requires the recognition of stock-based compensation associated with stock options as an expense in financial statements. The primary purpose of this vesting acceleration is to avoid recognizing stock-based compensation under FAS 123(R) associated with these options, a substantial portion of which is "out-of-the-money." This acceleration is consistent with expected changes to the Company's overall compensation approach, which going forward, will rely less heavily on stock options.

Discretionary Bonus Plan

On December 30, 2005, the Board of Directors of PC Connection, Inc., a Delaware corporation (the "Company") adopted and approved the PC Connection, Inc. Discretionary Bonus Plan. The Discretionary Bonus Plan provides for the award of cash bonuses to all employees at the level of director and above (the "Participants.") Under the Discretionary Bonus Plan, the Participants are eligible to receive a distribution from one or more of the bonus pools that will be established over the term of the Discretionary Bonus Plan. Under the terms of the Discretionary Bonus Plan, the Compensation Committee shall recommend to the Board of Directors a discretionary bonus pool for any given fiscal year, and the Chief Executive Officer shall recommend to the Compensation Committee the Participants to receive awards and the amounts to be received. The Board of Directors has approved an aggregate of $400,000 for distribution under the Discretionary Bonus Plan for the year ending December 31, 2005.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On December 30, 2005, PC Connection, Inc. (the "Company") appointed Jack Ferguson as Vice President and Chief Financial Officer of the Company, effective as of the same date. Mr. Ferguson had been serving as interim chief financial officer since October 21, 2004, upon the resignation of Mark A. Gavin, the Company's former Senior Vice President of Finance and Chief Financial Officer. Mr. Ferguson has been with the Company for 13 years, serving in various capacities, including Director of Finance and, since November 1997, as Treasurer of the Company, a position which he still holds. Prior to joining the Company in 1992, Mr. Ferguson, age 67, was a partner in Deloitte & Touche, an international accounting firm.

Mr. Ferguson's current annual salary is $260,750. He also participates in the Company's Discretionary Bonus Plan and is eligible for bonuses up to 25% of his annual salary. With this appointment as Chief Financial Officer, Mr. Ferguson was also awarded an option to purchase 40,000 shares of the Company's common stock at the closing market price of $5.38.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

See Exhibit Index attached hereto.

SIGNATURE

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.

PC Connection, Inc.

Date: December 30, 2005

By: /s/ JACK FERGUSON

Jack Ferguson
Vice President Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	PC Connection, Inc. Discretionary Bonus Plan

PC CONNECTION, INC.
DISCRETIONARY BONUS PLAN

I. PURPOSES OF THE PLAN

PC Connection, Inc. (the "Company") hereby establishes this Discretionary Bonus Plan ("Plan") as an incentive program pursuant to which discretionary or other retention-based bonuses may be awarded for one or more fiscal years.

II. ADMINISTRATION OF THE PLAN

2.01 The Plan is hereby adopted by the Company's Board of Directors (the "Board"), effective December 30, 2005.

2.02 The Compensation Committee (the "Committee") shall periodically review and make recommendations to the Board of Directors with respect to incentive compensation.

III. DISCRETIONARY BONUS POOL

The Committee shall recommend to the Board of Directors a bonus pool for any given fiscal year.

IV. DETERMINATION OF PARTICIPANTS

Those individuals in the employ of the Company or any subsidiary at the level of director and above shall be eligible to be selected to receive a distribution from one or more of the bonus pools established over the term of the Plan. The Company's Chief Executive Officer shall provide the Committee with recommendations each fiscal year as to the employees who should receive bonus awards under the Plan for that fiscal year and the amount to be allocated to each designated employee. The Committee shall have authority to accept, modify or reject such recommendations. The Committee may also recommend a bonus distribution under the Plan to the Company's Chief Executive Officer. The Committee shall have the ultimate discretion and authority to recommend all participants and bonus amounts to the Board of Directors.

V. PAYMENT OF BONUS AWARDS

5.01 Bonus awards shall be paid only to individuals who continue in the Company's employ through the bonus payment date, unless otherwise approved by the Committee or the Chief Executive Officer. Any payment to which an employee becomes entitled under the Plan shall be subject to the Company's collection of all applicable federal and state income and employment withholding taxes.

5.02 Payments under the Plan will be included in the definition of pay for purposes of the Company's Employee Stock Purchase Plan. Payments under the Plan will not be taken into account in determining any other benefits of the Company, such as group insurance, etc.

VI. GENERAL PROVISIONS

6.01 The Plan is effective as of December 30, 2005, and the initial bonus pool under the Plan will be established for the Company's 2005 fiscal year. The Board may at any time amend, suspend or terminate the Plan, provided such action is effected by written resolution. Neither the implementation of the Plan nor any amendment to the Plan shall require stockholder approval.

6.02 No bonuses awarded under the Plan shall actually be funded, set aside or otherwise segregated prior to payment. The obligation to pay the bonuses awarded hereunder shall at all times be an unfunded and unsecured obligation of the Company. Plan participants shall have the status of general creditors and shall look solely to the general assets of the Company for the payment of their bonus awards.

6.03 No Plan participant shall have the right to alienate, pledge or encumber his/her interest in any bonus award to which he/she may become entitled under the Plan, and such interest shall not (to the extent permitted by law) be subject in any way to the claims of the employee's creditors or to attachment, execution or other process of law.

6.04 Neither the action of the Company in establishing the Plan, nor any action taken under the Plan by the Committee, nor any provision of the Plan shall be construed so as to grant any person the right to remain in the employ of the Company or its subsidiaries for any period of specific duration. Rather, each employee of the Company or any subsidiary will be employed "at-will," which means that either such employee or the Company (or subsidiary) may terminate the employment relationship of that individual at any time for any reason, with or without cause.