UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 4, 2007

Lattice Semiconductor Corporation
(Exact name of registrant as specified in its charter)

Delaware	000-18032	93-0835214
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5555 N. E. Moore Court
Hillsboro, Oregon 97124-6421
(Address of principal executive offices, including zip code)

(503) 268-8000
(Registrant's telephone number, including area code)

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

(d) Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers and Compensation Arrangements of Certain Officers.

On December 4, 2007, the Board of Directors (the "Board") of Lattice Semiconductor Corporation (the "Company") appointed Richard Marz as a member of the Board. Mr. Marz will be a Class III director and serve on the Compensation Committee and the Nominating and Governance Committee.

In connection with his services as a director, Mr. Marz will be entitled to the customary compensatory arrangements for outside directors, namely an annual retainer of $20,000, $1,500 for each Board meeting and $1,000 for each committee meeting he attends in person, and $750 for each Board and committee meeting he attends telephonically. In addition, on December 4, 2007, Mr. Marz was granted an option to purchase ninety thousand (90,000) shares of the Company's common stock pursuant to the terms of the Company's 2001 Outside Directors' Stock Option Plan, with 25% of the option vesting on the date of grant and an additional 6.25% of the option vesting each three months thereafter, subject to his continued service to the Company.

(e) 2008 Executive Variable Compensation Plan

On December 5, 2007, the Compensation Committee (the "Committee") of Lattice Semiconductor Corporation (the "Company"), having obtained the approval of the independent members of the Company's Board of Directors with respect to the Chief Executive Officer, approved the 2008 Executive Variable Compensation Plan (the "Plan"). The Company's Chief Executive Officer, executive officers, and other members of senior management, including vice presidents and director-level employees as nominated by the Chief Executive Officer and approved by the Compensation Committee, are eligible to participate in the Plan.

The payout for each participant will be based both on the Company's performance, as measured by achievement of revenue and operating income performance goals approved by the Board prior to the commencement of the plan year, and individual performance. The revenue and operating income goals will be equally weighted in calculating payouts under the Plan. The Compensation Committee will determine the individual performance of the Chief Executive Officer, and the Chief Executive Officer will determine the individual performance of the other participants. For each participant, a specified minimum achievement against the revenue and operating income objectives is required for any payout.

The Compensation Committee approved a target payout and a maximum payout for each participant, based on the participant's annual salary. The target payouts range from 7.5% of salary for certain director-level employees to 90% of salary for the CEO. The maximum payouts are two times the target payouts. The target payout and maximum payout for each of Lattice's executive officers participating in the Plan is as follows:

Executive Officer	Target Payout	Maximum Payout
Stephen A. Skaggs, President and Chief Executive Officer	$ 360,000	$ 720,000
Jan Johannessen, Senior Vice President and Chief Financial Officer	$ 131,046	$ 262,092
Steve Donovan, Corporate Vice President, Sales	$ 90,845	$ 181,690
Martin R. Baker, Corporate Vice President, General Counsel and Secretary	$ 89,880	$ 179,760

If Lattice is not profitable on an operating basis (non-GAAP, excluding intangible asset amortization, restructuring charges and other Board-approved extraordinary expense items), there will be no payout under the Plan. The aggregate target payouts for all participants under the Plan total approximately $2.2 million, and the aggregate maximum amounts payable to all participants under the Plan total approximately $4.4 million.

The foregoing summary of the Plan is qualified in its entirety by the text of the 2008 Executive Variable Compensation Plan, which is filed as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	2008 Executive Variable Compensation 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 hereunto duly authorized.

LATTICE SEMICONDUCTOR CORPORATION

Date: December 7, 2007

By: /s/ Jan Johannessen
Jan Johannessen
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	2008 Executive Variable Compensation Plan

Exhibit 99.1

EXECUTIVE VARIABLE COMPENSATION PLAN
2008

1. Plan Objectives

- Reward management for achieving stated business objectives
- Build shareholder value
- Provide competitive compensation for senior management

2. Administration

The Compensation Committee will administer the Executive Variable Compensation Plan.

3. Eligibility

Senior management as nominated by the CEO and approved by the Compensation Committee. Participation in the Plan in one year does not imply continued Plan participation in any subsequent year. Participants must be employed at the time of payment to receive payment under the Plan.

Eligible senior management hired during the Plan year will have their Target Incentive Percentage and Maximum Incentive Percentage set based upon their level in the organization (see item 5 below). The incentive payout will be pro-rated from the day they are eligible to participate. Employees hired after September 30, 2008 are not eligible for incentive payout for the 2008 Plan year.

4. Term

Lattice fiscal year 2008, commencing on December 30, 2007 and ending on January 3, 2009.

5. Target Incentive Payout

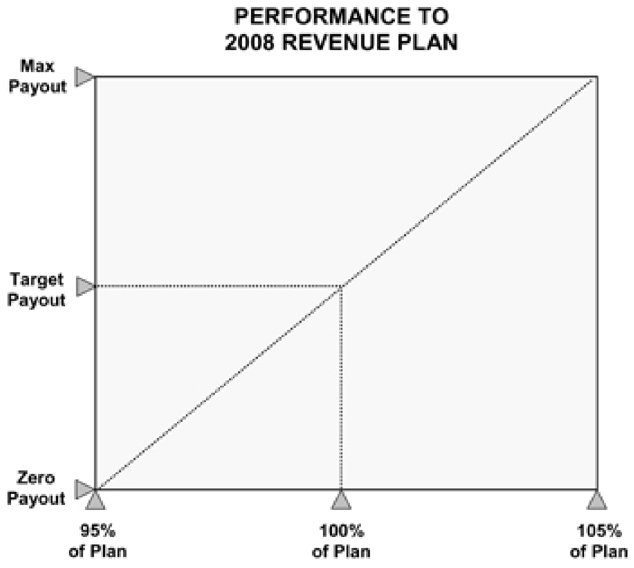
The Compensation Committee will approve a Target Incentive Percentage and a Maximum Incentive Percentage for each participant. The incentives will be expressed as a percentage of annual base salary (ABS) as of the first day of the Plan year.

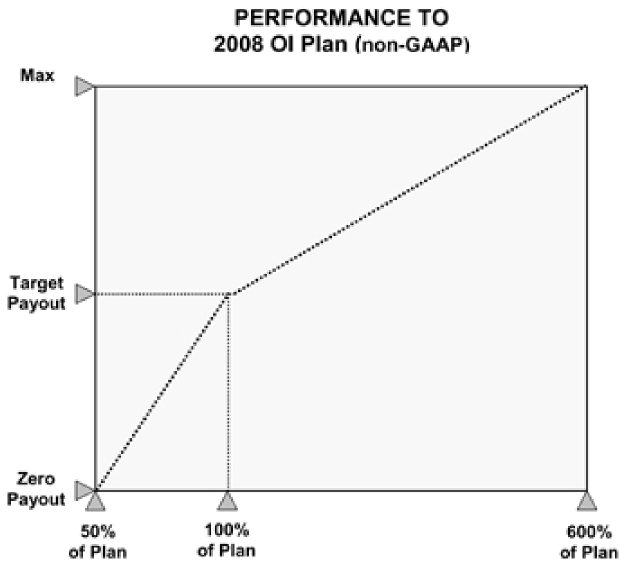
6. Incentive Determination

<u>Company Performance (CP)</u>: the target payout will be based on achievement of the 2008 Revenue and non-GAAP Operating Income (“OI”) performance goals of the Company as approved by the Board prior to the Plan year. Non-GAAP Operating Income is defined as GAAP Operating Income less: Intangible Asset Amortization, Restructuring Charges and any other board approved, extraordinary expense items. The Revenue goal and the non-GAAP Operating Income goal will each comprise 50% of the Incentive Award. The following formula will determine the Incentive Award for Company performance:

Revenue % of Annual Plan	CP-R Incentive Award	OI (non-GAAP) % of Annual Plan	CP-OI (non-GAAP) Incentive Award
Less than 95%	No payout	Less than 50%	No payout
95%-100%	0 – Target	50%-100%	0 - Target
100%-105%	Target - Max.	100%-600%	Target - Max.
Above 105%	Max.	Above 600%	Max.

The following two graphs illustrate the calculation of the Incentive Award as a function of performance to the 2008 Revenue Plan and to the non-GAAP Operating Income Plan:





Individual Performance (IP): the variable compensation payout will further be based on individual performance. The total variable compensation pool for Plan participants will be determined by the above calculation.

The variable compensation to each Plan participants will further be adjusted based on Individual Performance. The adjustment for Individual performance can be in the range of 0.67 to 1.33 of the variable compensation payout as determined by achievement of Revenue and Operating Income Plan above. However, the sum of all variable compensation amounts for all Plan participants cannot exceed the total amount based on Revenue and Operating performance to Plan as determined above.

The Compensation Committee will determine the performance of the CEO, while the CEO will determine the performance of the other participants in the Plan. The determination of individual performance is discretionary.

Total payment for each participant under the Plan will be calculated as follows:

(CP-R + CP-OI) x IP = Total Incentive Award (TIA)

The sum of all TIAs for all participants cannot exceed (CP-R + CP-OI).

If, during 2008, the Company is not profitable on an operating basis (non-GAAP excluding intangible asset amortization and other board approved, extraordinary expense items), there will be no payout under this plan.

7. Payment

Payments under the Plan will be made as soon as possible following the approval of the annual audited statements. The Compensation Committee must approve all executive officer incentive awards prior to payment.