BALAKRISHNAN BALU

Form 4

February 24, 2009

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB Number: 3235-0287

Estimated average

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005

0.5

OMB APPROVAL

Form 4 or Form 5 obligations may continue.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

burden hours per response...

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * BALAKRISHNAN BALU			2. Issuer Name and Ticker or Trading Symbol POWER INTEGRATIONS INC [POWI]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
(Last) 5245 HELLYI	(First) ER AVE	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 02/20/2009	Director 10% Owner Scheme Other (specify below) Below) President and CEO
	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_Form filed by One Reporting Person
SAN JOSE, CA 95138				Form filed by More than One Reporting Person

(City)	(State)	(Zip) Tal	ble I - Non-	Derivative	Secu	rities Acquii	ed, Disposed of,	or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securit onor Dispos (Instr. 3,	ed of	` ′	5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code V	Amount	(D)	Price	(Instr. 3 and 4)		
Comon Stock	02/20/2009		M	20,526	A	\$ 14.2188	24,878 (2)	D	
Common Stock	02/20/2009		M	6,639	A	\$ 15.0625	31,517 (2)	D	
Common Stock	02/20/2009		M	7,403	A	\$ 12.1	38,920 (2)	D	
Common Stock	02/20/2009		M	4,779	A	\$ 14.82	43,699 (2)	D	
Common Stock	02/20/2009		M	2,699	A	\$ 17.75	46,398 (2)	D	

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Common Stock	02/23/2009	G(1) V 21,023	D	\$ 0	25,375 <u>(2)</u>	D	
Common Stock	02/23/2009	G(1) V 21,023	D	\$ 0	4,352 (2)	D	
Common Stock	02/23/2009	G(1) V 21,023	A	\$ 0	21,023	I	By Trust for Eldest Son
Common Stock	02/23/2009	G(1) V 21,023	A	\$ 0	21,023	I	By Trust Youngest Son
Common Stock					232,752	I	By Trust for reporting person and wife

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amo Underlying Secur (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Am or Num of S
Non-Qualified Stock Option(right to buy)	\$ 14.2188	02/20/2009		M	20,526	04/20/1999	04/20/2009	Common Stock	20
Non-Qualified Stock Option(right to buy)	\$ 15.0625	02/20/2009		M	6,639	04/14/2000	04/14/2010	Common Stock	6,
Non-Qualified Stock Option(right to	\$ 12.1	02/20/2009		M	7,403	05/31/2001	05/31/2011	Common Stock	7,

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buy)								
Non-Qualified Stock Option(right to buy)	\$ 14.82	02/20/2009	M	4,779	02/21/2002	02/21/2012	Common Stock	4,
Non-Qualified Stock Option(right to buy)	\$ 17.75	02/20/2009	M	2,699	01/08/2003	01/08/2013	Common Stock	2,

Reporting Owners

Reporting Owner Name / Address		Re	elationships	
	Director	10% Owner	Officer	Other

BALAKRISHNAN BALU 5245 HELLYER AVE SAN JOSE, CA 95138

President and CEO

Signatures

/s/ Bill Roeschlein Attorney-In-Fact Balu Balakrishnan

02/24/2009

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- This transaction involved a gift of securities by the reporting person to a trust in which the reporting person is a trustee, which trust benefits his son who shares reporting person's household. The reporting person disclaims beneficial ownership of the shares held by the
- trust, and this report should not be deemed an admission that the reporting person is the beneficial owner of the trust's shares for purposes of Section 16 or for any other purpose.
- (2) Excludes 232,752 shares held in trust for which the reporting person is a trustee and beneficiary.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Reporting Owners 3