
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): January 6, 2006

VICAL INCORPORATED

(Exact name of registrant as specified in charter)

Delaware
(State or other
jurisdiction of
incorporation)

000-21088
(Commission File
Number)

93-0948554
(I.R.S. Employer
Identification No.)

10390 Pacific Center Court
San Diego, California
(Address of principal executive offices)

92121-4340
(Zip Code)

Registrant's telephone number, including area code: (858) 646-1100

Not Applicable.
(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:

- 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 1.01 Entry into a Material Definitive Agreement.

On January 6, 2006, the Compensation Committee of our Board of Directors established base salary and equity compensation for 2006 and approved bonuses for 2005 for our executive officers. The following table sets forth the 2006 base salary and equity compensation and the 2005 bonuses to be paid to our executive officers:

<u>Name and Title</u>	<u>2006 Base Salary</u>	<u>Stock Options</u>	<u>Restricted Stock Awards</u>	<u>2005 Bonus</u>
Vijay B. Samant, President and Chief Executive Officer	\$435,000	60,000	20,000	\$ 150,000
David C. Kaslow, Chief Scientific Officer	\$315,000	20,000	9,300	\$ 75,000
Jill M. Church, Vice President, Chief Financial Officer and Secretary	\$260,000	20,000	7,000	\$ 60,000

The stock options described above (i) were granted pursuant to our Amended and Restated Stock Incentive Plan (the "Plan"), (ii) terminate ten years after the date of grant, or earlier in the event the optionholder's service to us is terminated and (iii) have an exercise price per share of \$4.54, or the closing price of our common stock as reported on the Nasdaq National Market for Friday, January 6, 2006. Subject to the optionholder's continued service to us, 25% of the shares of common stock subject to such stock options vest on the first anniversary of the date of grant, and the remaining shares vest quarterly over the following three years; provided that such shares vest in full in the event of a change in our control.

The restricted stock awards described above (i) were granted pursuant to the Plan and (ii) enable the holders of such restricted stock awards to purchase shares of our common stock at a purchase price of \$0.01 per share, with settlement to occur on one or more future dates that are no earlier than the vesting dates for the shares being purchased on such dates. Subject to the recipient's continued service to us, 25% of the shares of common stock subject to such restricted stock awards vest on the first anniversary of the date of grant, or, if by January 31, 2006, the recipient elects to defer delivery of such shares beyond the vesting date, then any shares subject to the award that would otherwise vest within the 12-month period following the date of such election shall instead vest on January 31, 2007. The remaining shares vest quarterly over the following three years; provided that such shares vest in full in the event of a change in our control.

In addition to the 2006 base salary and equity compensation described above, the Compensation Committee approved a payment of up to \$50,000 to Mr. Samant for 2006 to cover expenses related to relocation to the San Diego area.

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.

Date: January 12, 2006

VICAL INCORPORATED

By: /s/ JILL M. CHURCH

Jill M. Church
Vice President, Chief Financial Officer
and Secretary