BONUS PROGRAM AND POLICY

[Organization Name] recognizes that the hard work of our employees contributes to the overall success of the organization and wishes to provide monetary bonuses to our employees to show our appreciation. This policy clarifies how our company distributes monetary bonuses to employees.

DEFINITIONS

“Bonus” refers to a monetary performance pay that is provided annually as an incentive and reward for employees who perform at outstanding levels.

The provision of [Organization Name]’s bonus is subject to the discretion of the manager.

POLICY

[Organization Name] wishes to reward eligible employees for their contribution to our company’s success via their hard work and dedication. This policy clarifies how employees can be rewarded and the bonus amounts are calculated.

**Please note:** This is a discretionary bonus. Its provisions and/or amount are not guaranteed or promised to any employee and entitlement to the bonus is solely based on the manager's discretion and evaluation. Evaluation of the bonus is based on:

1. Individual performance,
2. Contributions to the success of the organisation.

Scope and Eligibility

The bonus program and policy at [Organization Name] applies to all regular, full-time employees. Part-time, seasonal, and temporary employees are not eligible for the bonus program. Employees with contracts that are less than [insert time period here] are not eligible for the bonus program. A full time employee is defined as an individual who works between [Insert e.g., 30-40 hours] hours per week on a regular and consistent basis.

Eligibility for the bonus program is determined by management’s evaluation of an employees:

* Individual Performance (e.g. achieving key performance indicators, exceeding targets ect.)
* Employee work ethic, dedication, and positive attitude

The eligibility criteria applies during the period of January-December. Employees that are hired after the 3 month mark of the current fiscal year will not be eligible for the bonus program that year. (E.g. If an employee is hired between January-March of a particular year, they will qualify to be considered for the bonus program.)

[Organization Name] reserves the right to modify this policy or a bonus package at any time, without notice. For any questions or concerns about the bonus policy and program at [Organization Name], please feel free to reach out to your management.

Calculation

The bonus amount is variable and is based on individual performance and management evaluation. The maximum bonus that can be achieved by an individual employee is XX%. This percentage is relevant to an individual employee's regular salary and is paid on top of the individual employee's earnings. Note: XX% is not the base or regular provision but rather the paramount. Bonus amounts can vary between XX-XX%.

Example of a general bonus amount calculation:

* Insert example here

Payroll and Tax Information

The bonus is subject to payroll deductions for income tax and government benefit programs such as the Canadian Pension Plan (CPP) and Employee Insurance (EI) and any other legislated, taxable deduction.

The bonus is provided annually upon completion of the employee performance evaluation that is regularly performed [Insert When].

Employees with any questions or concerns regarding this policy may bring them forward to management.