**Company K Bonus and Incentive Plans**

**1. Purpose**

This document outlines the bonus and incentive plans at Company K, including the criteria for eligibility, types of bonuses, and the process for awarding and distributing these incentives. The goal is to motivate and reward employees for their contributions and achievements.

**2. Scope**

This policy applies to all eligible employees of Company K, including full-time, part-time, temporary, and contract workers, as specified in their individual employment agreements and departmental guidelines.

### **3. Types of Bonuses and Incentives**

**3.1 Performance Bonuses**

* **Eligibility**: Employees are eligible based on their individual performance, as evaluated during performance reviews.
* **Criteria**: Performance bonuses are awarded based on achieving or exceeding individual performance goals, project milestones, or key performance indicators (KPIs).
* **Amount**: The bonus amount is determined by the employee’s performance rating and position level. Specific amounts or percentages may vary by department and role.

**3.2 Annual Company-Wide Bonuses**

* **Eligibility**: All employees who have completed at least six months of service by the end of the fiscal year.
* **Criteria**: Based on overall company performance, profitability, and achievement of annual goals.
* **Amount**: Calculated as a percentage of the employee’s base salary or a fixed amount, depending on company performance and profit-sharing plans.

**3.3 Spot Bonuses**

* **Eligibility**: Awarded to employees who demonstrate exceptional performance or make significant contributions to a project or company initiative.
* **Criteria**: Awarded on the spot by managers or supervisors for specific achievements or contributions.
* **Amount**: Varies based on the significance of the contribution and available budget.

**3.4 Referral Bonuses**

* **Eligibility**: Employees who refer candidates for open positions at Company K.
* **Criteria**: The referred candidate must be hired and complete a probationary period (typically 90 days).
* **Amount**: A fixed bonus amount paid after the referred employee’s successful completion of the probationary period.

**3.5 Retention Bonuses**

* **Eligibility**: Employees in critical roles or positions identified as crucial for business continuity.
* **Criteria**: Awarded to retain employees during times of significant organizational change or when key skills are in high demand.
* **Amount**: Determined based on the employee’s role, tenure, and the importance of their position.

### **4. Bonus and Incentive Distribution**

**4.1 Performance Reviews**

* **Timing**: Performance bonuses are typically awarded following annual performance reviews, conducted at the end of the fiscal year.
* **Process**: Performance evaluations are reviewed by management, and bonuses are calculated based on the employee’s performance rating and departmental budget.

**4.2 Annual Company-Wide Bonuses**

* **Timing**: Distributed in the first quarter following the end of the fiscal year.
* **Process**: Calculated based on the company's financial performance and distributed to eligible employees.

**4.3 Spot Bonuses**

* **Timing**: Awarded throughout the year as achievements occur.
* **Process**: Managers submit nominations or approval requests for spot bonuses, which are processed and distributed as per the company’s payroll schedule.

**4.4 Referral Bonuses**

* **Timing**: Paid after the referred employee completes their probationary period.
* **Process**: HR verifies the completion of the probationary period and processes the bonus payment.

**4.5 Retention Bonuses**

* **Timing**: Paid according to the terms specified in the retention agreement or contract.
* **Process**: Distributed as outlined in the agreement, typically upon completion of the agreed retention period or milestones.

### **5. Eligibility and Exclusions**

**5.1 Eligibility**

* Employees must be actively employed at the time of bonus distribution to receive bonuses.
* Certain bonuses may have additional eligibility requirements specified in departmental or contractual agreements.

**5.2 Exclusions**

* Employees on unpaid leave or who have resigned before the distribution date may not be eligible for bonuses.
* Bonuses may be prorated based on the employee’s tenure or employment status if they do not meet the full eligibility criteria.

### **6. Bonus and Incentive Communication**

**6.1 Notification**

* Employees will be notified of their eligibility and bonus amounts through official communication channels, such as email or company intranet.
* Detailed breakdowns of bonuses and incentives will be provided with pay stubs or separate documentation.

**6.2 Appeals**

* Employees who have questions or concerns about their bonuses may submit an appeal to the HR department.
* Appeals must be submitted within 30 days of receiving the bonus notification.

### **7. Tax Implications**

* Bonuses and incentives are subject to applicable federal, state, and local taxes.
* Tax withholdings will be applied according to standard payroll procedures.

### **8. Contact Information**

For questions or additional information regarding bonuses and incentives, employees should contact:

* **HR Department**: hr-support@companyk.com
* **Payroll Department**: payroll@companyk.com
* **Phone**: [HR or Payroll Department Phone Number]