



Title	Profit-Sharing Bonus
Department	People Operations
Effective Date	10/2024
Review Date(s)	
Revision Date	

PURPOSE

The Profit-Sharing Bonus Program is designed to reward full-time team members for their contributions to the company's overall success by distributing a portion of the company's profits. This program aligns individual efforts with company goals, fostering a shared sense of achievement and financial benefit.

POLICY

Eligibility

- The Profit-Sharing Bonus Program is available to full-time team members who have been employed with the company for at least six (6) months.
- Team members earning commissions are not eligible to participate in the profit-sharing bonus program.

Profit Sharing Pool

The company will allocate a portion of its quarterly profits to a shared pool, which will be distributed to eligible team members. The size of the pool is determined based on the company's financial performance and profitability for the previous quarter.

Distribution Tiers

The profit-sharing bonus will be distributed according to employment tiers. Team members are categorized into the following tiers based on their position and level of responsibility:

- **Tier 1:** Senior Executives (Chief-level)
- **Tier 2:** Executives (Director/Vice President)
- **Tier 3:** Managers
- **Tier 4:** All Other Team Members

Bonus Calculation

- The total profit-sharing pool will be divided among the eligible team members based on their tier.

The percentage distribution will be as follows:

- **Tier 1:** 20% of the pool
- **Tier 2:** 20% of the pool
- **Tier 3:** 20% of the pool
- **Tier 4:** 40% of the pool

(Exact percentages are defined based on company goals and budget).

Payment Timing

Profit-sharing bonuses will be distributed **quarterly** and paid out within one month following the close of the quarter and the company's financial review.

Terms and Conditions

- Team members must be actively employed by the company at the time of the bonus payout.
- The company reserves the right to modify or discontinue the Profit Sharing Bonus Program based on financial performance or other factors, with appropriate notice.
- Participation in the program does not guarantee a specific bonus amount, as the size of the pool and the individual payments will vary based on company profits.

Conclusion

This program reflects the company's commitment to recognizing the valuable contributions of its employees and sharing the rewards of collective success.