



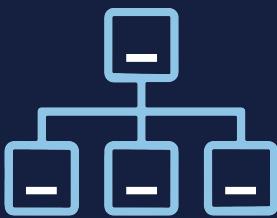
# Incentives & Rewards Commission and Bonuses

Differences in Bonus V commission

## Benefits in a Competitive Commission Plan



Increase  
Motivation



Improve  
productivity



Reduce  
turnover

## Discretionary Vs Non- Discretionary Bonus

### Discretionary

Awarded at the employers discretion without specific performance criteria

Less predictable for employers; amount & receipt of bonus are uncertain

Can be awarded at any time, often at year end on special occasions

May be viewed as subjective or biased if not communicated & executed transparently

Performance-based discretionary bonuses, Spot bonuses, Holiday bonuses

VS



### Non- Discretionary

Awarded based on meeting or exceeding predefined performance targets

More predictable; employees know the targets & can estimate potential rewards

Usually awarded during regular review periods (e.g. quarterly, annually)

Generally perceived as fairer due to objective criteria & transparent process

Performance-based bonuses, Attendance bonuses, Annual Bonus