**Bonus Announcement Letter**

*[This form may be used as a memo to all employees or letter to individual employees]*

To: All Employees or Dear [Name of Employee]:

I am pleased to announce that the numbers are now in for [year], and we have not only met all our goals but exceeded them for sales and customer service! All of you have my congratulations and personal appreciation for this achievement!

Recognizing that this success is due to your commitment and hard work, the board of directors and the executive team have approved a [x] percent discretionary bonus payment to all employees who have been with the company since January 1, [year], and a prorated bonus for those who were employed by [Company Name] for at least nine months in [year]. A check representing [x] percent of your annual salary or wages paid during the past year will be included with your next paycheck. Applicable state and federal taxes will be withheld from this bonus check. We are permitting a special, one-time change in 401(k) elective contributions specific to the bonus payment for employees who want to contribute all or part of their bonus to their 401(k) plan. To authorize this one-time, special contribution, human resources will provide a form that must be completed and returned no later than [date].

With deep appreciation for your achievements during [past year] and assurance that I will be striving with you for continued success in the new year,

[Name]

CEO/President