

Performance-Based Bonus Plan Introduction

Subject: Introduction of Annual Performance Bonus Plan

Dear Sales Professionals,

The leadership team is excited to introduce a new annual performance bonus plan, complementing our existing commission structure. This plan will take effect beginning with the 2025 fiscal year.

Plan Overview:

The annual bonus will be calculated based on three weighted components:

- Individual quota attainment (60% weight)
- Team/regional performance (20% weight)
- Customer satisfaction scores (20% weight)

Bonus Potential:

- Target bonus: 20% of base salary for achieving 100% on all metrics
- Maximum bonus: 40% of base salary for exceeding 120% on all metrics
- Minimum threshold: 80% quota attainment required for any bonus payout

This plan recognizes that exceptional sales performance encompasses not just revenue generation but also teamwork and customer relationships. By incorporating customer satisfaction metrics, we reinforce our commitment to sustainable, long-term account growth.

Detailed calculation examples, payment schedules, and metric definitions are included in the attached program guide. Your compensation statements will be updated to reflect target bonus amounts based on your current base salary.

Bonus payments will be made annually in January for the prior year's performance, with an interim update provided in July.

We believe this plan appropriately rewards high performers while encouraging behaviors that drive company success beyond individual transactions.

Sincerely,

Alexandra Torres

Executive Vice President, Human Resources

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