



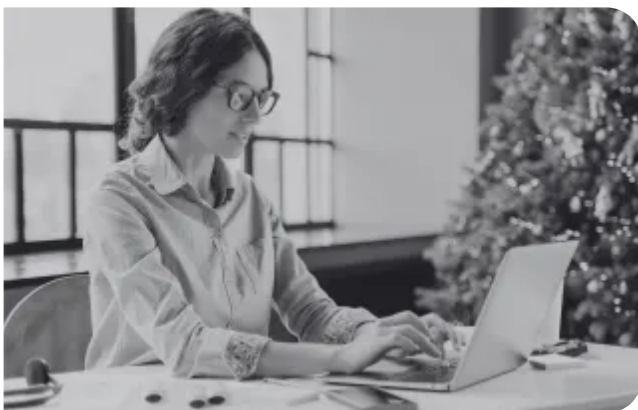
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Tis the Season: Uplift Your Holiday Spirit with a Christmas Bonus

Not sure if you'll get a holiday bonus this year? Read on to learn the signs that your employer will offer a Christmas bonus and ways to advocate for yourself.



By Dillon Price, Monster Contributor



You've worked hard all year long to help your employer meet its goals. While you no longer expect gifts under the tree from Santa Claus, you may be looking forward to some extra cash for presents, travel, and other holiday expenses. Or you're hoping that your employer will spread some holiday cheer during the next [virtual holiday party](#). Yet, you're not sure if your company will offer a Christmas bonus this year.

The anticipation is like the feeling of Christmas morning when you wake up not knowing what gifts you will find under the tree. The idea of receiving extra cash or other incentives around the holidays can be exciting. But do companies offer them? The answer is not always straightforward.

This article should give you insight into what a Christmas bonus entails, how to find out if you'll receive one, and much more.

What Is a Holiday Bonus?

Also known as the “13-month salary,” a holiday bonus is a token of appreciation given to employees during the holiday season. Many employers use them to:

- Reward employees for their hard work and dedication throughout the year.
- Encourage employees to continue their hard work in the coming year.
- Boost employee engagement and productivity.
- Retain existing talent.

A traditional holiday bonus consists of a one-time cash payment that is either added to your paycheck or issued in a separate check. However, an employer may offer something else in lieu of a monetary bonus such as a tangible item (e.g., merchandise and food) or extra vacation time.

Holiday Bonus vs. Year-End Bonus

While a Christmas bonus comes just as the year is winding down, it's different from a year-end bonus. Holiday bonuses can be distributed equally among all employees within an organization (e.g., a flat rate of \$50 or \$100 per employee) or paid based on a certain percentage of your salary.

Christmas bonuses are not always based on performance metrics. But like Santa Claus, some employers keep a “naughty and nice list,” which may impact your holiday bonus. That depends entirely on your employer's bonus policy.

Year-end bonuses, on the other hand, are typically given out after the new year. Employers base them on your annual performance and seniority within the company, and sometimes, your salary. Like holiday bonuses, they can include lump sum cash payments or paid time off.

However, some year-end bonuses include:

- **Profit sharing:** If an employer achieves significant sales revenue, they may offer you a slice of the pie.

- **Employee stock options:** An employer may give you the right to buy a certain number of company stocks at a fixed price.

Is a Holiday or Year-End Bonus Taxable?

The Internal Revenue Service (IRS) considers monetary bonuses (e.g., cash bonuses, gift cards, and vacation time) as supplemental wages. They're subject to federal and state income tax withholding—including Medicare and Social Security taxes—and should be included on your W-2.

Some employers will apply a withholding tax to your bonus before paying it to you as they would with a regular paycheck. The exact tax amount of a cash bonus depends on your tax bracket and other factors such as the size of your bonus and the state you reside in. If you have a retirement plan through your employer such as a 401(k), that would also be deducted from your bonus check.

However, not all bonuses are taxable. The IRS classifies insignificant and infrequent non-monetary bonuses as “**de minimus**.” That means that they're not considered employee compensation and are exempt from tax withholdings. Examples of de minimus bonuses include:

- Occasional dining, catering, or food products.
- Tickets to entertainment or sporting events.
- Tangible gifts such as mugs, shirts, and other merchandise.

Do Companies Give Christmas Bonuses?

Christmas bonuses are not guaranteed, and employers are not obligated to provide them as part of an employee's salary or compensation package. It's also possible for an employer to give some employees a Christmas bonus while leaving others out—even though this is not best practice for employers.

The decision of whether to provide Christmas bonuses lies in the hands of the company management. When companies don't give them, it's usually because they can't fit them into their budget. This can occur when a company doesn't generate enough revenue or is scaling back.

To find out if your employer offers a holiday bonus, review the terms of your employer's bonus structure, including how it's determined and calculated. Some employers will include this information in your contract. Otherwise, speak to your HR department to find out if you'll receive a bonus, and whether it's a percentage of your salary or a flat rate.

Here are a few other indicators that you may receive a bonus during the holidays:

- Sales revenue has increased.
- Your employer is hiring new talent.
- Your employer has a history of giving out holiday bonuses.

How Likely Am I to Receive a Holiday Bonus?

To put it into perspective, a [Statista survey](#) asked more than 1,000 American workers how certain they were about receiving a Christmas bonus. According to the survey results:

- 24% said, “very likely.”
- 10% said, “likely.”
- 10% said, “I know that I will receive a Christmas bonus.”

On the other hand:

- 24% said, “I know that I will not receive a Christmas bonus.”
- 10% said, “unlikely.”
- 9% said, “very unlikely.”

Which Types of Employers Give Out Holiday and Year-End Bonuses?

According to a [Bureau of Labor Statistics \(BLS\) report](#), 37% of private industry workers employed by small businesses (fewer than 100 employees) had access to nonproduction bonuses. Out of that, 9% of employees received holiday bonuses and 14% received end-of-year bonuses.

In comparison, 44% of employees at large companies (more than 100 employees) received nonproduction bonuses. Only 3% of those employees received holiday bonuses and 8% received end-of-year bonuses. The industries most likely to provide holiday bonuses included construction (11%) and other services (13%).

How Much Should a Christmas Bonus Be?

There is no definitive answer on how much you can expect to receive in a holiday bonus. The amount of the bonus can vary depending on your employer’s budget. Plus, your employer may use holiday bonuses to reduce their tax liability for that year.

Some estimates show that the average Christmas Bonus percentage is around 5% of an employee’s total salary. Since there are no regulations in place—and many companies offer non-monetary bonuses—there’s no guarantee that you will receive that amount.

As with large companies, there's no definitive way to determine the average Christmas bonus for a small business. The BLS [report on nonproduction bonuses](#) shows that companies with fewer than 100 employees paid an average of 1.7% of total compensation in bonuses, while companies with more than 100 workers paid an average of 2.7%. However, that doesn't account for Christmas or end-of-year bonuses specifically.

The report also lists the percentage of total compensation paid in bonuses across a variety of private industries. Please note this percentage includes all bonuses paid to employees, not just holiday bonuses.

Here are the top five bonus averages by industry:

- Finance – 5.4% of total compensation.
- Information – 4.1% of total compensation.
- Management, professional, and related – 3.1% of total compensation.
- Professional and business services – 2.8% of total compensation.
- Manufacturing – 2.7% of total compensation.

When Do Christmas Bonuses Get Paid?

The timing of Christmas bonuses may vary depending on your employer's policies. Most companies give out holiday bonuses between the last week of November and the first two weeks of December. However, some companies may issue Christmas bonuses later in December. Year-end bonuses, on the other hand, are typically issued within the first two and a half months of the new year.

5 Ways to Boost Your Chances of Getting a Holiday or Year-End Bonus

Here are five excellent ways you can help uplift your holiday spirit or ring in the new year with a financial boost.

1. Go the Extra Mile

Want to end up on your employer's "nice list"? Set and achieve clear performance milestones to show that you're dedicated to helping your employer reach its goals and meeting or exceeding your expectations. This helps to create a sense of loyalty and trust between you and your employer, which can increase your chances of earning a bonus, and make you [irreplaceable at work](#).

Here are steps you can take to set and achieve [smart performance goals](#):

- Establish goals and propose them to your supervisor.
- Create an action plan.
- Get help from your coworkers or supervisor if necessary.
- Use key performance indicators (KPIs) to measure your progress.

2. Build Positive Relationships

Building a positive relationship with your colleagues and superiors is an effective way to boost your chances of getting a bonus. It also fosters collaboration and makes you more trustworthy among your co-workers and company leadership. You can achieve this:

- Through excellent communication.
- By assisting others without being asked.
- By displaying an overall positive attitude.

3. Show Initiative

Take the initiative to identify opportunities for improvement—for yourself and your employer—and share them with management. This can demonstrate to your employer that you are proactive and self-motivated. It also shows your commitment to your job and the company's success, which may make management more likely to reward you with a bonus.

4. Document Your Achievements

Keep a record of your achievements throughout the year. This can help you make the case to your employer that you deserve an end-of-year bonus based on your hard work and contributions to the company. For instance, you could keep track of any awards or recognitions you have received, as well as any accomplishments such as successful projects or initiatives you took on.

5. Don't Be Afraid to Toot Your Own Horn

Do you have regular check-ins with your supervisor? Take that opportunity to remind them of your achievements and update them on your progress. It helps to use data, metrics, and customer testimonials to showcase the impact of your work. If you don't have regular check-ins with your supervisor, consider scheduling a meeting to highlight your wins for the year.

Join Monster to Put a New Job on Your Christmas List This Year

Are you receiving the incentives you deserve after all the hard work you put into helping your employer meet its goals? If not, [complete your profile](#) on Monster to find an employer that offers a Christmas bonus and other deserved incentives. We won't come down your chimney in

the wee hours of the night. But we will deliver free job alerts, so you can open your inbox to find new, exciting opportunities.

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