

BONUS SCHEMES:

how to be flexible and
compliant with the tax
regulations

Global People Services



Bonuses are a classic component within employee incentive schemes, and the procedure for using this tool should be simple and clear – for both the employer and employee.

However, knowing who bonuses should be paid to, the relevant KPIs, and the bonus size is not enough. It is also important that a company maintains the right to regulate payments and bonus sizes, depending on external and internal conditions, and, in the event of queries from employees and the tax authorities, to be able to justify the bonus calculation and outline why it is fair.

Our SW Tenet team of HR and tax professionals has deep knowledge of tax and labour legislation and wide-ranging practical experience in elaborating and implementing employee bonus schemes.

We can help mitigate against claims from the tax authority on bonus sizes, while maintaining the required level of bonus scheme flexibility.

How our services can benefit you:


Creating from scratch and implementing a short- or long-term employee incentive scheme, including:

- motivating employees to achieve the company's short- or mid-term or strategic goals
- boosting employee retention and loyalty levels


Revising / reworking existing employee incentive schemes that will soon expire, taking into account both the latest trends in employee motivation and the current situation and goals of the company

Document the existing employee incentive scheme to substantiate bonus expenses for corporate tax purposes, safeguard the company's interests, and mitigate the risks of disputes with employees

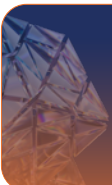
We will help you create and implement a bonus scheme:



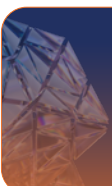
Establishing possible structuring options for the company's bonus scheme, determining such parameters as list of participants, remuneration structure and level, KPIs, the frequency and form of payments, and payment terms.



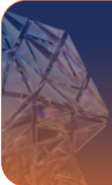
Analysing options for structuring the company's bonus scheme to ensure compliance with respective labour law as well as tax and accounting legislation.



Elaborating the package of documents required to formalise relations between employees and the company under the bonus scheme: the bonus policy, employee KPIs, wordings in employment contracts, etc.



Creating a step-by-step schedule (roadmap) for applying the bonus scheme as well as auxiliary tools (a fair and transparent calculation mechanism aligned with KPIs, designing effect assessment models, preparing informational materials describing the employee bonus scheme and containing answers to FAQ, as well as examples illustrating bonus terms and payments).



Preparing transfer pricing documentation for bonus and other payments made to management (connected persons).



Advisory support related to the company's bonus scheme performance.

The above list contains the most frequently requested services and is not exhaustive. Our overriding goal is to help you build financially sustainable, legally compliant, and tax-efficient employee incentive schemes.

We will be happy to discuss with you your own particular situation, and suggest options for resolving the tasks and challenges that you face.

We can also help you on a wide range of employment issues, in particular, related to remuneration, relocation, and taxation.

Contacts



Olga Pletneva

Partner, Tax & Legal

E: opletneva@tenetcons.com

Disclaimer

The information contained herein has been prepared, is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Some or all of the services or technologies described herein may not be permissible for audit clients and their affiliates or related entities.

© 2026 SW TENET. All rights reserved. SW TENET is a member of the SWI network <https://sw.international/> and refers to TENET MIDDLE EAST TAX CONSULTANTS L.L.C; TENET CONSULTANTS FZCO; TENET BUSINESSES VALUATIONS SERVICES L.L.C; TENET CYBER SECURITY SERVICES L.L.C; TENET MANAGEMENT CONSULTANCIES L.L.C; SW TENET AUDIT AND ACCOUNTING L.L.C and TENET ECONOMIC FEASIBILITY CONSULTANCY - L.L.C - O.P.C.