

# Tax Alert

## Christmas bonus - important related dates

The Christmas bonus for 2008 is 6% of the employee's wages up to a maximum individual employee wage of \$10,000. Accordingly, the maximum bonus payable will be \$600. This bonus must be paid no later than December 15, 2008. In the case of those employers with 15 or less employees, the applicable rate is 3% for 2008.

Nevertheless, the total amount to be paid will not exceed 15% of the annual profits of the employer generated for the twelve month period ended September 30, 2008.

If an employer will not pay the bonus because of operating losses or due to the 15% limitation mentioned above, he must notify the Secretary of Labor and Human Resources no later than November 30, accompanying audited financial statements for the period from October 1, 2007 through September 30, 2008. If the employer fails to submit the data to support the no payment of the bonus, he becomes liable for the payment of the full bonus.

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