**Section 300.500 Earned Bonuses**

A bonus is compensation given in addition to the required compensation for services performed. The Department does not maintain jurisdiction over discretionary or gratuitous bonuses. In order to receive compensation under the Act, the bonus must be earned.

a) An employee has a right to an earned bonus when there is an unequivocal promise by the employer and the employee has performed the requirements set forth in the bonus agreement between the parties and all of the required conditions for receiving the bonus set forth in the bonus agreement have been met. Unless one of the conditions for the bonus is that the employee be on the payroll at the time of the bonus payout, the bonus is due and owing to the employee at the time of separation.

b) A former employee shall be entitled to a proportionate share of a bonus earned by length of service, regardless of any provision in the contract or agreement conditioning payment of the bonus upon employment on a particular date, when the employment relationship was terminated by mutual consent of the parties or by an act of the employer through no fault of the former employee.

c) A gratuitous bonus does not obligate the employee to do or forgo something in return for the bonus and the employee has no right to make a demand for the bonus.

d) A discretionary bonus is when the terms associated with the earning of the bonus are indefinite or uncertain, such as bonus being upon a positive evaluation of the "employee's performance" and not when the earning of a bonus is based on objective factors such as length of service, attendance or sign-on or relocation incentives.

(Source: Amended at 38 Ill. Reg. 18517, effective August 22, 2014)