

## Performance Bonus vs Stock Grants (vsdiff.com)

Feature	Performance Bonus	Stock Grants
Definition	Monetary reward based on employee performance within a specific period.	Equity compensation given to employees in the form of company shares.
Tax Implications	Taxed as regular income in the year received.	May have capital gains tax implications upon sale of stocks.
Payout Factors	Based on predetermined performance metrics.	Based on tenure, performance, or strategic company goals.
Cash Flow Impact	Immediate cash benefit to employees.	May not provide immediate cash, can lead to future money upon sale.
Employee Motivation	Short-term motivation for achieving specific targets.	Encourages long-term commitment and alignment with company performance.
Flexibility	Typically standard across positions.	Can vary widely based on job role and contribution.

Source: <https://vsdiff.com/performance-bonus-vs-stock-grants/>