



May 27, 2015

10 Little-Known Facts About the Recognition Program

In celebration of the online employee recognition program’s one-year anniversary, we share some information you might not know about the program:

1. Recognition points do not expire.
2. You don’t need a pile of points to buy something: download a song for 7 points or buy a movie ticket for 64 points.
3. Points do not compare equally to dollars. For example, a purse available for 480 points would not cost \$480 at a department store.
4. Sales tax, shipping and handling are included when you redeem points for items; there’s no additional cost to you.
5. Leaders have discretionary points to give employees! Your leader’s current points budget expires June 30.
6. You can access the online program from any computer with Internet access (click [here](#)).

Points are taxable income

Points have value and are a form of income. By federal law, KentuckyOne must tax you on the points you receive.

7. You are taxed on only 65 percent of the value of points received.
8. You are **not** taxed on points you receive for service anniversaries and retirement.
9. You are **not** charged sales tax when you redeem points for items in the online catalog.
10. The amount of tax you pay on points varies because of your tax bracket and other factors.

For more efficient administration, KentuckyOne calculates the tax once per year. If you received points during the calendar year, you will see an entry labeled “Gift Cert Award Tax” in the earnings section of your last pay statement in December.

The tax is a fairly nominal amount, depending on the points you received. For example:

Points received	Estimated tax
25	Less than \$2
75	Less than \$5
150	Less than \$10
250	About \$15
350	About \$20
750	Less than \$50

If you have questions about employee recognition points or the program itself, please contact the human resources department.