



Quick Reference

What is BD Proud?

BD Proud is a system to recognize excellence that is everywhere at Blue Diamond Growers and the purpose is to reward that excellence.

Are BD Proud awards taxed?

The BD Proud program is considered a spontaneous recognition program, which means awards are not expected or predicted, and this allows the award to not be taxed as compensation or wages.

However, when awards are issued for certain reasons, they're no longer considered spontaneous recognition. For example, BD Proud points **should not be used** as/for:

- ✖ Incentives (completing a certain task (such as submitting good catches), reaching an identified level, attending an event, etc.)
- ✖ Prizes, raffles, etc.
- ✖ Gifts (birthday, anniversary, bereavement, etc.)
- ✖ Quid-pro-quo (this for that – such as covering someone's shift)
- ✖ For doing normal tasks within a TM's job description

When BD Proud awards are issued for any of the above listed reasons, they're no longer considered spontaneous recognition and cross over into the compensation realm, which means they're **taxable**.

When should BD Proud awards be issued and at what level?

For additional information on issuing BD Proud awards, please see the **BD Proud Administration Guide**.