[Date]

[Employee Name]
[Employee ID]
[Department]

Dear [Employee Name],

Congratulations. Based on your performance and contributions over the past year, we are pleased to inform you that you have been granted an annual merit increase.

Your compensation has been adjusted as follows:

- **Current Annual Salary:** $[Amount]
- **Merit Increase Percentage:** [Percentage]%
- **Merit Increase Amount:** $[Amount]
- **New Annual Salary:** $[Amount]

This increase will be effective as of [Date] and will be reflected in your paycheck starting [Date].

Thank you for your hard work and dedication to [Company Name]. We look forward to your continued success with the team.

Sincerely,

[Sender Name]
[Title]
[Company Name]