

Date: [Insert Date]

[Employee Name]

[Employee ID]

[Department]

Subject: Annual Cost of Living Allowance (COLA) Adjustment

Dear [Employee Name],

We are pleased to inform you that your compensation has been reviewed in accordance with our annual Cost of Living Allowance (COLA) policy. To reflect changes in the economy and the cost of living, your salary will be adjusted as follows:

- Current Annual Salary: \$[Amount]
- COLA Percentage Increase: [Percentage]%
- New Annual Salary: \$[Amount]

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

All other terms and conditions of your employment contract remain unchanged. We appreciate your continued hard work and dedication to [Company Name].

Sincerely,

[Your Name]

[Your Title]

[Company Name]