

[Company Name]
[Street Address]
[City, State, Zip Code]

[Date]

[Employee Name]
[Employee ID]
[Department]

Dear [Employee Name],

Subject: Notice of Cost of Living Allowance (COLA) Adjustment

We are writing to inform you that [Company Name] has completed its annual review of compensation in relation to current economic conditions. To account for the recent rise in inflation and the increased cost of living, the company has decided to apply a Cost of Living Allowance (COLA) adjustment to your base salary.

Effective [Effective Date], your compensation will be adjusted as follows:

- Current Base Salary: [Amount]
- Adjustment Percentage: [Percentage]%
- New Base Salary: [New Amount]

This adjustment is intended to help maintain your purchasing power and reflects our commitment to providing fair and competitive compensation for our valued team members.

The new salary amount will be reflected in your paycheck starting on [Pay Date]. All other terms and conditions of your employment remain unchanged.

Thank you for your continued hard work and dedication to the company.

Sincerely,

[Signature]
[Name of Sender]
[Title/Position]