

[Company Name]
[Address Line 1]
[City, State, Zip Code]

[Date]

[Employee Name]
[Employee ID]
[Department]

Subject: Notification of Economic Adjustment to Cost of Living Allowance (COLA)

Dear [Employee Name],

This letter is to formally notify you of a change regarding your compensation. Following a recent review of current economic conditions and organizational budgetary requirements, the company has decided to implement an economic adjustment to the Cost of Living Allowance (COLA).

Effective as of [Effective Date], your Cost of Living Allowance will be adjusted as follows:

- **Current COLA Amount:** [Current Amount]
- **New COLA Amount:** [New Amount]

Please note that this adjustment applies specifically to the supplemental allowance and does not affect your base salary or other core benefits. This decision was made after careful consideration of regional economic data and the need to maintain long-term financial stability for the organization.

The updated amount will be reflected in your paycheck starting on [Pay Date].

If you have any questions regarding this adjustment, please contact the Human Resources department at [HR Phone Number] or [HR Email Address].

Thank you for your continued contributions to [Company Name].

Sincerely,

[Sender Name]
[Sender Title]
[Company Name]