

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

[Date]

[Employee Name]
[Employee Address]
[City, State, Zip Code]

Subject: Notification of Compensation Structure Change

Dear [Employee Name],

This letter serves as formal notification regarding a change to your compensation structure. After a review of our current business operations, the company has decided to transition your compensation from a base salary model to a commission-based structure.

Effective Date: [Insert Date]

Current Compensation:

Your current annual base salary is \$[Amount].

New Compensation Structure:

Starting on the effective date mentioned above, your compensation will consist of:

- **New Base Salary (if any):** \$[Amount]
- **Commission Rate:** [Percentage]% of [Net Sales/Gross Profit/etc.]
- **Draw (if applicable):** [Details regarding recoverable or non-recoverable draw]

All other terms and conditions of your employment agreement remain unchanged. Please review the attached Commission Plan document for specific details regarding payout schedules, eligibility, and performance targets.

We believe this new structure provides a significant opportunity for increased earnings based on your performance and contribution to the company's growth.

Please sign and return a copy of this letter by [Deadline Date] to indicate your acknowledgement and acceptance of these changes.

Sincerely,

[Manager Name]
[Title]

Employee Acknowledgment:

I, [Employee Name], accept the change in compensation structure as outlined above.

Signature: _____ Date: _____