

[Company Name]

[HR Department Address]

[Date]

To: [Employee Name]

Employee ID: [Employee ID Number]

Subject: Notification of Pay Plan Update

Dear [Employee Name],

This letter is to formally notify you of an update to your compensation plan, effective [Effective Date].

Following a recent review of our organizational pay structures and market standards, the following changes have been applied to your position:

- **Current Base Salary/Hourly Rate:** \$[Amount]
- **New Base Salary/Hourly Rate:** \$[Amount]
- **Pay Grade/Level:** [Grade Level, if applicable]
- **Incentive/Bonus Structure:** [Details of changes or "No Change"]

These adjustments reflect our commitment to maintaining a competitive and fair workplace. All other terms and conditions of your employment contract remain unchanged. You will see these adjustments reflected in your paycheck starting on [Pay Date].

Please review the details above. If you have any questions regarding these changes, please contact the Human Resources department at [Phone Number/Email].

Thank you for your continued hard work and dedication to [Company Name].

Sincerely,

[Name of HR Representative]

[Title]

[Company Name]

**Acknowledgment:**

I acknowledge that I have received and reviewed the details of my updated pay plan.

\_\_\_\_\_  
Employee Signature

Date: \_\_\_\_\_