

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

[Date]

[Employee Name]
[Employee Address]

Subject: Notification of Change in Compensation Structure

Dear [Employee Name],

This letter is to formally notify you of a change to your compensation structure, effective as of [Effective Date].

Currently, your compensation is based on a fixed salary. Under the new structure, your compensation will transition to a performance-based commission model. The details of the new structure are as follows:

- **Base Salary:** \$[Amount] per [Pay Period].
- **Commission Rate:** [Percentage]% on all eligible [Sales/Revenue/Metric].
- **Quota/Target:** [Performance Goal details if applicable].
- **Payment Schedule:** Commissions will be calculated and paid on a [Monthly/Quarterly] basis.

This change is designed to reward high performance and align your earnings with the direct impact you have on the company's growth. All other terms and conditions of your employment contract remain unchanged.

Please review the attached commission plan document for full details regarding eligibility, calculations, and payment terms. If you have any questions regarding these changes, please contact [Manager Name or HR Department] by [Date].

Please sign and return a copy of this letter to acknowledge your receipt and understanding of the new compensation terms.

Sincerely,

[Signature]
[Name of Sender]
[Title]

Acknowledgment:

I, [Employee Name], acknowledge that I have received and understood the changes to my compensation structure as outlined above.

Signature: _____ Date: _____