

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

[Date]

[Employee Name]  
[Employee ID/Department]

**Subject: Notification of Temporary Compensation Adjustment**

Dear [Employee Name],

Due to the current economic downturn and its impact on our industry, [Company Name] has faced significant financial challenges. To ensure the long-term stability of the company and to avoid more drastic measures such as workforce reductions, we find it necessary to implement temporary cost-saving initiatives.

Effective [Effective Date], your base salary/hourly rate will be adjusted from [Current Amount] to [New Amount]. This represents a reduction of [Percentage]%.

Please note the following details regarding this adjustment:

- **Duration:** This is intended to be a temporary measure. We will review our financial position on a [Monthly/Quarterly] basis to determine when compensation can be restored.
- **Benefits:** Your [Health Insurance/Retirement Contributions/Other Benefits] will remain unchanged at this time.
- **Work Schedule:** Your current work hours and responsibilities will remain the same.

We understand the impact this news may have on you and your family. This was a difficult decision, but it is necessary to protect the future of our organization and our team. We deeply value your contributions and appreciate your continued commitment during this challenging period.

If you have any questions regarding this adjustment, please contact [HR Name/Department] at [Contact Information].

Please sign below to acknowledge receipt of this notification.

Sincerely,

[Manager Name]  
[Title]

**Acknowledgment:**

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[Employee Signature]

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[Date]