

[Company Name]

[Company Address]

[City, State, Zip Code]

[Date]

To: [Employee Name]

Employee ID: [Employee ID Number]

Subject: Notice of Base Pay Reduction

Dear [Employee Name],

This letter serves as formal notification regarding a change to your compensation. Due to [brief reason for reduction, e.g., economic challenges or organizational restructuring], [Company Name] has made the difficult decision to implement an organization-wide reduction in base salaries.

Effective [Effective Date], your annual base salary will be reduced by [Percentage]%.

Based on this adjustment, your new compensation details are as follows:

- Current Base Salary: \$[Amount]
- New Base Salary: \$[Amount]
- Pay Period Frequency: [e.g., Bi-weekly/Monthly]

This reduction applies to base pay only. Your current benefits, including [list benefits like health insurance, 401k eligibility, etc.], remain in effect, though any contributions based on a percentage of your salary will adjust accordingly.

We understand the impact this news has on you and your family. This decision was made to ensure the long-term stability of the organization and to avoid more significant measures such as staff reductions.

Please review this document and return a signed copy to the HR department by [Deadline Date] to acknowledge receipt of this notice.

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

Sincerely,

[Signature]

[Name of Executive/HR Director]
[Title]

Employee Acknowledgment:

I acknowledge that I have received notification of my pay reduction and understand the terms stated above.

Signature: _____ Date: _____