

[Date]

[Employee Name]

[Employee Address]

[City, State, Zip Code]

Subject: Notification of Tax Adjustment due to Payroll Overpayment

Dear [Employee Name],

This letter is to inform you of a necessary tax adjustment regarding the payroll overpayment identified for the pay period ending [Date].

Due to the overpayment of \$[Gross Amount], your taxable earnings for the current year have been overstated. To ensure your tax withholdings and year-end tax forms (Form W-2) are accurate, we have processed the following adjustments:

- **Federal Income Tax Adjustment:** \$[Amount]
- **State Income Tax Adjustment:** \$[Amount]
- **Social Security/Medicare Tax Adjustment:** \$[Amount]

The repayment of the net overpayment will be handled as follows: [Describe repayment plan, e.g., deduction from next paycheck].

The adjustments listed above will be reflected on your next pay stub and will ensure that your total taxable wages reported to the IRS and state authorities at the end of the year are correct.

If you have any questions regarding how these tax adjustments were calculated, please contact the Payroll Department at [Phone Number] or [Email Address].

Sincerely,

[Your Name]

[Your Title]

[Company Name]