

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

[Date]

[Employee Name]
[Employee ID]
[Department]

Subject: Notification of Salary Structure Change

Dear [Employee Name],

This letter is to formally notify you of a change to your compensation structure. Effective [Effective Date], the company will be converting a portion of your variable incentive pay into your fixed annual base salary.

The details of this conversion are as follows:

- **Current Base Salary:** \$[Amount]
- **Incentive Amount to be Converted:** \$[Amount]
- **New Annual Base Salary:** \$[Total Amount]

Following this change, your incentive eligibility will be adjusted to [New Percentage/Amount or "N/A"]. All other terms and conditions of your employment remain unchanged. This adjustment is intended to provide you with greater financial stability and a more predictable monthly income.

Please sign and return a copy of this letter to the Human Resources department by [Date] to acknowledge your receipt and understanding of this change.

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

Sincerely,

[Manager Name/HR Representative Name]
[Title]

Employee Acknowledgment:

I accept the changes to my compensation structure as outlined above.

Signature: _____ Date: _____