

Date: [Date]

To: [Employee Name]

Employee ID: [ID Number]

Subject: Notification of Compensation Structure Reallocation

Dear [Employee Name],

This letter serves as formal notification regarding a change to your compensation structure. Effective [Effective Date], [Company Name] will reallocate your current guaranteed bonus into your annual base salary.

Current Compensation Structure:

- Annual Base Salary: \$[Amount]
- Guaranteed Annual Bonus: \$[Amount]
- Total Annual Cash Compensation: \$[Total Amount]

New Compensation Structure:

- New Annual Base Salary: \$[New Total Amount]
- Guaranteed Annual Bonus: \$0.00
- Total Annual Cash Compensation: \$[Total Amount]

This reallocation is designed to provide you with a higher consistent monthly income and will increase the base figure used for calculating benefits such as [401k contributions/life insurance/overtime pay]. This change does not impact your total target annual earnings.

All other terms and conditions of your employment agreement remain unchanged. Please sign below to acknowledge your receipt and understanding of this adjustment.

Sincerely,

[Name of Sender]

[Title]

[Company Name]

Acknowledgment:

I hereby acknowledge that I have read and understood the changes to my compensation structure as outlined above.

Signature: _____ Date: _____