

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

[Date]

[Employee Name]
[Employee ID]
[Department]

Subject: Notice of Compensation Structure Change

Dear [Employee Name],

This letter is to formally notify you of a change to your compensation structure, effective [Effective Date].

As part of our commitment to providing competitive and stable compensation, the company has decided to roll over your annual target bonus into your base salary. This change aims to provide you with more consistent monthly earnings and long-term financial predictability.

The details of your adjusted compensation are as follows:

- **Current Annual Base Salary:** \$[Amount]
- **Annual Target Bonus Amount (being rolled in):** \$[Amount]
- **New Annual Base Salary:** \$[Total Amount]

Following this adjustment, your participation in the [Name of Bonus Plan] will cease, and you will no longer be eligible for a separate annual discretionary bonus under that specific plan.

Please note that all other terms and conditions of your employment remain unchanged. Your new salary will be reflected in the pay cycle starting [Date].

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

Sincerely,

[Sender Name]
[Sender Title]

Acknowledgment:

I acknowledge that I have received this letter and understand the changes to my compensation structure.

[Employee Signature]

Date: _____