

[Date]

[Employee Name]

[Employee ID]

[Department]

Subject: Notification of Salary Increase and Bonus Conversion

Dear [Employee Name],

We are pleased to inform you that your compensation package has been adjusted. This change reflects your recent performance and a restructuring of our compensation policy.

Effective [Effective Date], your compensation will be adjusted as follows:

- **Previous Base Salary:** \$[Amount]
- **Bonus Conversion Amount:** \$[Amount] (Representing the shift of [Percentage/Fixed Amount] of your previous bonus eligibility into base pay)
- **Merit Increase:** \$[Amount]
- **New Annual Base Salary:** \$[Total New Amount]

By converting a portion of your variable bonus into your fixed base salary, the company aims to provide you with greater financial stability and a higher guaranteed monthly income. Please note that any remaining bonus eligibility will now be calculated based on your new base salary, subject to the terms of the [Year] Incentive Plan.

All other terms and conditions of your employment contract remain unchanged. We appreciate your continued dedication and contributions to [Company Name].

Please sign and return a copy of this letter to acknowledge your acceptance of these changes.

Sincerely,

[Manager Name/HR Representative]

[Title]

[Company Name]

Acknowledgment:

I accept the changes to my compensation as outlined above.

Signature: _____ Date: _____