

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

[Date]

[Employee Name]
[Employee ID]
[Department]

Subject: Notification of Compensation Structure Change

Dear [Employee Name],

This letter is to formally confirm a change in your compensation structure, effective [Effective Date].

As previously discussed, the company has decided to convert your [Annual/Quarterly] performance bonus into your fixed base salary. This adjustment is intended to provide you with greater financial predictability and consistency.

Your compensation details will be updated as follows:

- **Previous Base Salary:** \$[Amount]
- **Bonus Amount Converted:** \$[Amount]
- **New Annual Base Salary:** \$[Total Amount]

Please note that starting from [Next Pay Date], your paychecks will reflect this new base salary amount. All other terms and conditions of your employment remain unchanged. This conversion does not impact your eligibility for future merit-based salary increases or other company benefits.

If you have any questions regarding this change, please contact the Human Resources department.

Thank you for your continued hard work and dedication to [Company Name].

Sincerely,

[Signature]
[Name of Manager/HR Representative]
[Title]

Acknowledgment:

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

[Employee Signature]

Date: _____