

[Date]

[Employee Name]

[Job Title]

[Department]

Dear [Employee Name],

We are pleased to inform you that [Company Name] has completed a review of our current compensation structures. As a result of this review, your annual base salary will be adjusted effective [Effective Date].

This adjustment consists of two components:

- **Cost of Living Adjustment (COLA):** An increase to account for the rising cost of living and inflation.
- **Retention Adjustment:** An increase to reflect your continued contributions to the team and to ensure your compensation remains competitive within the current market.

Your new compensation details are as follows:

- **Previous Salary:** \$[Amount]
- **Total Increase Amount:** \$[Amount]
- **New Base Salary:** \$[Amount]

This adjustment is a reflection of our commitment to supporting our employees and our appreciation for your hard work and dedication to the company. All other terms and conditions of your employment agreement remain unchanged.

Thank you for your ongoing commitment to [Company Name]. If you have any questions regarding this change, please contact [Department/Name].

Sincerely,

[Manager Name]

[Title]

[Company Name]