

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

[Date]

[Employee Name]
[Employee ID]
[Employee Address]

Subject: Notice of Regulatory Compliance and Pay Status Adjustment

Dear [Employee Name],

This letter is to inform you of a formal adjustment to your employment classification and compensation structure. This change is being implemented to ensure full compliance with updated [Federal/State/Local] labor regulations and the [Name of Specific Act, e.g., Fair Labor Standards Act].

Effective [Effective Date], your position will transition from **[Current Status, e.g., Exempt]** to **[New Status, e.g., Non-Exempt]** status.

Summary of Changes:

- **Pay Basis:** Your compensation will change from a [Monthly/Annual] salary to an hourly rate of \$[Amount] per hour.
- **Overtime Eligibility:** Under this new status, you will be eligible for overtime pay at a rate of [1.5] times your regular hourly rate for all hours worked in excess of [40] hours per workweek.
- **Time Tracking:** You will now be required to accurately record all hours worked using [Name of Timekeeping System/Method].

Please note that this adjustment is a result of regulatory requirements and does not reflect a change in your job responsibilities or your value to the organization. Your current benefits and seniority remain unaffected by this transition.

An orientation session regarding the new time-tracking procedures will be held on [Date/Time]. If you have questions regarding these changes, please contact the Human Resources Department at [Phone Number] or [Email Address].

Please sign and return the enclosed copy of this letter to acknowledge receipt of this notification.

Sincerely,

[Name of Sender]
[Title]
[Company Name]

Acknowledgment of Receipt:

I hereby acknowledge that I have received and understood the notice regarding my pay status adjustment.

Signature: _____ Date: _____