

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

[Date]

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

Subject: Notification of Base Pay Adjustment and Overtime Status

Dear [Employee Name],

This letter is to formally notify you of a change to your compensation and your classification regarding overtime eligibility, effective [Effective Date].

Base Pay Adjustment:

Your current base salary/hourly rate of [Current Amount] will be adjusted to [New Amount] per [Year/Hour]. This adjustment is based on [Reason for Change, e.g., annual performance review, market adjustment, or promotion].

Overtime Status:

In accordance with the Fair Labor Standards Act (FLSA) and company policy, your position has been classified as [Exempt/Non-Exempt].

- **If Non-Exempt:** You are eligible for overtime pay. Any hours worked beyond 40 hours in a single workweek will be paid at a rate of 1.5 times your regular hourly rate. All overtime must be pre-approved by your supervisor.
- **If Exempt:** You are not eligible for overtime pay. Your new salary is intended to compensate you for all hours worked during the workweek.

All other terms and conditions of your employment remain unchanged. Please sign and return a copy of this letter to [Department/Name] by [Date] to acknowledge your receipt of this notification.

If you have any questions regarding these changes, please contact [HR Contact Name] at [Phone Number/Email].

Sincerely,

[Sender Name]
[Sender Title]

Employee Acknowledgment:

I acknowledge that I have received and understand the changes to my compensation and overtime status as outlined above.

Signature: _____ Date: _____