

[Date]

[Employee Name]

[Employee ID]

[Department]

Subject: Notice of Change in Fair Labor Standards Act (FLSA) Status and Payroll Frequency

Dear [Employee Name],

This letter is to inform you of a change regarding your employment classification and payroll schedule. Effective [Effective Date], your position will transition from **Exempt** to **Non-Exempt** status.

What this change means for you:

- **Overtime Eligibility:** As a non-exempt employee, you will now be eligible for overtime pay at a rate of 1.5 times your regular hourly rate for all hours worked over 40 in a single workweek.
- **Time Tracking:** You will be required to record all hours worked daily using [System Name/Timecards]. It is essential that you record your exact start and end times, including unpaid meal breaks.
- **Pay Rate:** Your current annual salary of \$[Amount] will be converted to an hourly rate of \$[Amount] per hour.
- **Payroll Schedule:** Your pay frequency will change from [Current Frequency, e.g., Monthly] to [New Frequency, e.g., Bi-Weekly]. Your first paycheck under this new schedule will be issued on [Date].

Please note that this change is a result of [Internal Reorganization / Regulatory Updates] and does not reflect a change in your job duties or the importance of your role within the company.

Please sign below to acknowledge receipt of this notification and return it to Human Resources by [Date]. If you have any questions regarding these changes, please contact [HR Contact Name] at [Phone/Email].

Sincerely,

[Name]

[Title]

[Company Name]

Acknowledgment of Receipt:

Employee Signature: _____ Date: _____