

[Date]

[Employee Name]

[Employee ID]

[Department]

**Subject: Notice of Salary Adjustment and Change in Exemption Status**

Dear [Employee Name],

We are writing to formally notify you of a change regarding your compensation and your employment classification under the Fair Labor Standards Act (FLSA).

Effective [Effective Date], your position as [Job Title] will transition from [**Current Status: e.g., Exempt**] to [**New Status: e.g., Non-Exempt**]. This change is being made to ensure continued compliance with labor regulations and internal organizational structures.

**Compensation Details:**

- Current Salary/Rate: [Current Amount]
- New Salary/Rate: [New Amount]
- Pay Frequency: [e.g., Bi-weekly / Monthly]

**What this change means for you:**

- **Overtime Eligibility:** As a [New Status] employee, you will now be eligible to receive 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 be required to accurately record and submit your daily work hours using [Name of Timekeeping System].
- **Benefits:** Your current benefits and seniority status will remain unaffected by this transition, unless otherwise specified in your benefits summary.

Please review and sign this letter to acknowledge that you have been informed of these changes. If you have any questions regarding how this affects your pay cycle or time reporting, please contact the Human Resources department at [Contact Information].

Best regards,

[Sender Name]

[Sender Title]

[Company Name]

**Acknowledgment:**

I acknowledge that I have received this notice and understand the changes to my compensation and exemption status.

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Employee Signature

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Date