

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

[Date]

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

**Subject: Notification of Change in Employment Status and Salary Increase**

Dear [Employee Name],

We are pleased to inform you that your employment status with [Company Name] is changing from Non-Exempt to Exempt, effective [Effective Date].

As an Exempt employee, you will no longer be eligible for overtime pay. Instead, you will be paid a fixed salary for all hours worked. This transition reflects your increased responsibilities and your role in the [Department Name] department.

In conjunction with this status change, your annual base salary will be increased to \$[New Salary Amount]. This salary will be paid in [Monthly/Bi-weekly] installments of \$[Pay Period Amount], subject to standard payroll deductions and withholdings.

All other terms and conditions of your employment, including your benefits and original hire date, remain unchanged.

Please review this letter and sign below to indicate your acceptance of these changes. If you have any questions regarding this transition or your new compensation structure, please contact [HR Name/Manager Name].

Congratulations on this promotion and thank you for your continued contributions to [Company Name].

Sincerely,

[Sender Name]  
[Sender Title]

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**Acknowledgment:**

I accept the transition to Exempt status and the new salary as outlined above.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_