Date: [Insert Date]

To: [Employee Name]

Position: [Employee Title]

Subject: Retention Bonus Agreement

Dear [Employee Name],

As you are aware, [Current Company Name] has entered into an agreement to merge with/be acquired by [Acquiring Company Name]. We recognize that your continued contribution and expertise are vital to the success of this transition.

To encourage your continued employment during this period, we are pleased to offer you a one-time retention bonus in the amount of $[Amount] (the "Retention Bonus").

Terms of Payment:

- **Eligibility:** To receive this bonus, you must remain an active employee in good standing through [Retention Date].
- **Payment Date:** The bonus will be paid in a lump sum on the first regularly scheduled payday following [Retention Date].
- **Taxation:** This bonus is subject to all applicable federal, state, and local tax withholdings.

Conditions:

If your employment is terminated by the Company for "Cause" or if you voluntarily resign prior to [Retention Date], you will not be eligible to receive any portion of the Retention Bonus. This letter does not constitute a contract of employment for any specific period; your employment remains "at-will."

Please indicate your acceptance of these terms by signing and returning this letter to [Department/Name] by [Deadline Date].

We thank you for your hard work and commitment to the future of the company.

Sincerely,

[Name of Executive]
[Title]
[Company Name]

Acknowledgment and Acceptance:

I accept the terms of the Retention Bonus as outlined above.

Signature: _____ Date: _____