

**Date:** [Insert Date]

**To:** [Employee Name]

**Employee ID:** [Insert ID Number]

**Subject: Notice of Salary Reduction and Demotion**

Dear [Employee Name],

This letter serves as formal notification that your position and compensation with [Company Name] are being adjusted. Effective [Effective Date], you will be demoted from the position of [Current Job Title] to the position of [New Job Title].

This decision has been made due to [Reason for action, e.g., organizational restructuring / performance issues / disciplinary action].

As a result of this change in responsibilities, your salary will be adjusted. Your new gross salary will be [New Salary Amount] per [Pay Period], effective [Effective Date]. All other benefits associated with your employment will be governed by the policies applicable to your new position.

Your new reporting supervisor will be [Supervisor Name]. Please coordinate with them regarding your updated job description and expectations.

If you have any questions regarding these changes or how they affect your benefits, please contact the Human Resources department.

Sincerely,

[Name of Manager/HR Representative]  
[Title]  
[Company Name]

---

**Employee Acknowledgment:**

I acknowledge that I have received this notice and understand the terms of my demotion and salary reduction.

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