Subject: Important Update Regarding Your Employment

Dear [Employee Name],

I am writing to share some difficult news regarding your employment with [Company Name]. Due to the exhaustion of our current funding runway and the inability to secure additional capital in the current market, the company must undergo a significant reduction in force. As a result, your position is being eliminated, effective [Date].

This decision is purely financial and is in no way a reflection of your individual performance or contributions to the team. We are deeply grateful for the hard work you have put into helping us build [Company Name].

To assist with your transition, we are providing the following:

- **Severance:** You will receive [Amount/Weeks] of severance pay.
- **Benefits:** Your health insurance coverage will continue until [Date]. Information regarding COBRA will be sent separately.
- **Unused PTO:** Any accrued but unused vacation time will be paid out in your final paycheck.
- **Equity:** Information regarding your vested options and the exercise period will be provided by [Platform Name/HR].

All company equipment, including your [Laptop/Monitor/Other], should be returned by [Date] via [Return Method].

We want to support you in your next career move. If you would like a letter of recommendation or introductions to other founders in our network, please let [Manager Name] know.

Thank you for your dedication and for being part of our journey.

Sincerely,

[Your Name]
[Your Title]
[Company Name]