

**Date:** [Insert Date]

**To:** [Employee Name]

**Employee ID:** [Insert ID]

**Subject:** Acknowledgment of Deferred Compensation Election

Dear [Employee Name],

This letter serves as formal acknowledgment of your election to participate in the [Insert Company Name] Deferred Compensation Plan (the "Plan").

By signing this document, you confirm your understanding of the following terms:

- **Deferral Amount:** You have elected to defer [Insert Percentage or Dollar Amount] of your compensation effective as of [Insert Effective Date].
- **Tax Treatment:** You understand that these funds are deferred on a pre-tax basis and will be subject to income taxation at the time of distribution.
- **Investment Risk:** You acknowledge that the value of your deferred account may fluctuate based on the performance of the investment benchmarks you have selected.
- **Distribution Schedule:** You agree to the distribution timeline as selected in your enrollment forms, which is subject to the restrictions of Section 409A of the Internal Revenue Code.
- **Irrevocability:** You understand that this election is generally irrevocable for the current plan year.

Please review your plan documents for full details regarding vesting, beneficiary designations, and withdrawal limitations.

Sincerely,

[Sender Name]

[Title]

[Company Name]

---

**Employee Acknowledgment:**

I hereby acknowledge that I have read and understood the terms of the Deferred Compensation Plan and agree to the deferrals stated above.

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