

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

[Date]

[Employee Name]
[Employee ID]
[Home Address]

Subject: Notification of Position Reclassification and Settlement Payment

Dear [Employee Name],

This letter is to formally notify you of a change regarding your employment classification with [Company Name]. Following a recent internal audit of our job roles and compliance with the Fair Labor Standards Act (FLSA), your position of [Current Job Title] has been reclassified.

1. Classification Change

Effective [Date], your position will change from [**Exempt/Non-Exempt**] to [**Exempt/Non-Exempt**]. This means you will now be [eligible/ineligible] for overtime pay for hours worked beyond 40 in a single workweek.

2. Settlement and Back Pay

In conjunction with this reclassification, the company has calculated a settlement amount to address [unpaid overtime/wage adjustments] for the period of [Start Date] to [End Date].

The total gross settlement amount is **\$[Amount]**. This amount is subject to applicable taxes and standard payroll withholdings. You can expect to receive this payment via [Direct Deposit/Check] on the pay period ending [Date].

3. Acknowledgment

By accepting this payment, you acknowledge that this settlement constitutes full and final payment for all wages, overtime, or benefits related to your prior classification during the period mentioned above.

4. Next Steps

Please review the attached updated job description and overtime reporting procedures (if applicable). If you have any questions regarding how this change affects your daily schedule or payroll reporting, please contact the Human Resources department at [Phone Number/Email].

Please sign and return a copy of this letter to Human Resources by [Deadline Date] to confirm your receipt and understanding of these changes.

Sincerely,

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

Employee Acknowledgment:

I, [Employee Name], acknowledge that I have received this notification and understand the terms of my reclassification and the settlement payment provided.

Signature: _____ Date: _____