

[Company Name]
[Address Line 1]
[City, State, Zip Code]

[Date]

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

Dear [Employee Name],

Subject: Notification of Cost of Living Adjustment (COLA)

This letter is to formally notify you that [Company Name] will be implementing a Cost of Living Adjustment (COLA) to your current compensation. This adjustment is being made to ensure that your salary remains competitive and aligned with the current economic environment.

Effective [Effective Date], your annual salary will be increased by [Percentage]% or [Dollar Amount].

Your new compensation details are as follows:

- Previous Salary: [Amount]
- Adjustment Amount: [Amount]
- New Salary: [Amount]

This increase will be reflected in your paycheck starting [Date of First Paycheck]. All other terms and conditions of your employment contract remain unchanged.

We appreciate your continued hard work and dedication to the company.

Sincerely,

[Name of Sender]
[Title]
[Company Name]