**DATE**

**NAME**

**ADDRESS**

**RE: Notice of Temporary Pay Reduction to All Employees**

Dear [Employee name],

Due to the economic impact of COVID-19 (coronavirus), [Company Name] is implementing measures to ensure the financial stability of the company. The current pandemic situation has impacted our business significantly, and as a result, we find that we must make some difficult but necessary changes.

Effective [date], all exempt employees will receive a 5 percent reduction in their annual salary and all nonexempt employees will receive a 5 percent reduction in their hourly pay rate. In addition, all overtime work will cease, and employees are expected to continue to work their regular full- or part-time schedule.

This was an extremely tough decision, and we understand the impact this will have on you and your family. However, please know that we considered several other alternatives, and the choice we made is the best option at this time and will have the least impact on our employees overall.

The executive team will continue to monitor finances and reevaluate this decision on a regular basis. We believe the outcome from this measure will better position the company for a quicker recovery after the COVID-19 (coronavirus) pandemic has subsided. At that time, we hope to return everyone to their previous salary.

Please know that we appreciate all of your hard work, and we know we will have your support as we all strive for continued business success through this difficult time. Should you have any questions, please don't hesitate to speak with your manager.

Sincerely,

Name, Title

Contact Info