**To**

**[The Recipient Name]  
[Address]**

**Re. Cost Cutting Letter to Grade A, B, C, & D Employees**

Dear Employees, I hope this letter finds you well. This letter has been written for cost-cutting to adjust problematic funds and finances poised on the company by the evitable factors. As we all know, the economic fallout of 20XX has posed serious challenges for all of us in the corporate and industrial sectors.

The need of the hour is to be motivated and responsible. In this regard, I have contacted the finance manager to evaluate all business processes and goals to find the best possible ways to reduce expenditures by increasing profits. This will prove helpful in protecting the future of the organization.

The finance manager along with his team has come to a strenuous but inevitable conclusion after a thorough analysis to manage the assets of the organization during this challenging time. From [DATE], all exempted workers will receive a [PERCENTAGE] reduction in their monthly salary for six months and non-exempt employees will receive a [PERCENTAGE] cutback in their annual salary. Moreover, there would be no overtime work and all the workers will continue to work according to their previous schedule.

It is tough for us to make this decision and we understand that it might have drastic impacts on you. This was the best possible option we had right now by keeping in view the current financial situation of the company. However, you have been provided with some other substitutes and subsidies and it will strive to put the least influence on our workers.

The finance manager will keep an eye on the company's finances and this decision will be re-evaluated after every four months.

I am of the view that this step will prove beneficial for the company by promising a bright future for it. We cherish the hard work of our employees as they are the backbone of the company. I hope we will continue to have your full support as we all endeavor for the continued success of the organization.

If you have any queries in mind, then please let us know or you can visit the human resources department for further. Please write to me about any critical issues related to financing and funds at [EMAIL]. Thank you.

Regards.

[Your Name]  
[Designation]