

Salary Reduction Agreement

This **Salary Reduction Agreement** ("**Agreement**") is made effective as of _____ ("**Effective Date**") by and between the following parties:

Employer

Employee

1. Purpose

Employer and Employee agree to modify Employee's base salary under the terms of this Agreement. This Agreement records the parties' understanding of the salary reduction and does not change Employee's position, duties, employment status, or other terms of employment except as expressly stated below.

2. Employee Position

Employee is employed by Employer as _____. Employee will continue to report to _____ and perform the duties reasonably associated with the position, subject to any changes communicated by Employer in accordance with applicable law.

3. Salary Reduction

Beginning on _____, Employee's annual base salary will be reduced from _____ to _____, subject to all required payroll withholdings and deductions.

Employee will be paid according to Employer's regular payroll practices. The salary reduction applies only to compensation earned on or after the Salary Reduction Start Date and will not apply retroactively unless permitted by applicable law and agreed to in writing by Employee.

4. Duration and Salary Review

The reduced salary will remain in effect until _____, unless Employer and Employee agree in writing to extend, revise, or end the reduction earlier.

On or before _____, Employer will review the salary arrangement and notify Employee in writing whether Employee's salary will be restored, changed, or remain at the reduced rate.

5. Benefits and Other Compensation

Unless Employer provides otherwise in writing, Employee's eligibility for benefits will continue under the applicable benefit plans and policies. Benefits, bonuses, commissions, retirement contributions, paid leave accruals, insurance coverage, and other compensation may be calculated using Employee's reduced salary where permitted by the applicable plan, policy, or law.

Nothing in this Agreement guarantees any bonus, commission, incentive payment, benefit, or future compensation.

6. Employment Status

Employee's employment remains _____. Either Employer or Employee may end the employment relationship in accordance with applicable law and any controlling written agreement.

This Agreement does not guarantee employment for a specific period or alter Employer's right to manage Employee's position, duties, work schedule, or compensation as permitted by law.

7. Voluntary Acknowledgment

Employee acknowledges that Employee has had an opportunity to review this Agreement, ask questions, and seek independent advice before signing. Employee understands the effect of the salary reduction and voluntarily agrees to the revised salary stated in this Agreement.

8. No Waiver of Legal Rights

Nothing in this Agreement is intended to waive or limit any right that cannot legally be waived. Employer will continue to comply with applicable wage, hour, payroll, tax, and employment laws.

9. Entire Agreement

This Agreement contains the entire understanding between Employer and Employee concerning the salary reduction. It replaces prior oral or written discussions about the subject matter of this Agreement but does not replace any other employment agreement except to the extent of a direct conflict.

10. Amendments

Any amendment to this Agreement must be in writing and signed by both Employer and Employee.

11. Governing Law

This Agreement will be governed by the laws of _____, without regard to rules that would apply the laws of another jurisdiction.

12. Electronic Signatures

The parties agree that electronic signatures and electronically transmitted copies of this Agreement are valid and enforceable to the same extent as original signatures, to the extent permitted by applicable law.

Signatures

By signing below, the parties agree to the terms of this Salary Reduction Agreement.

Employer

Employee

Name

Name

Date

Date

Signature

Signature



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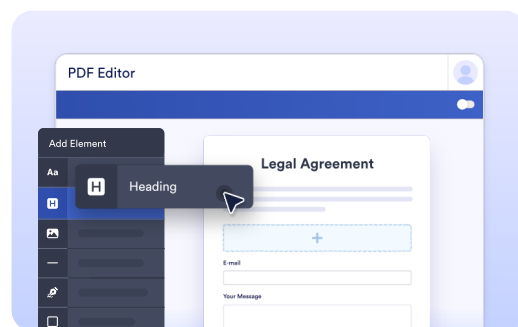
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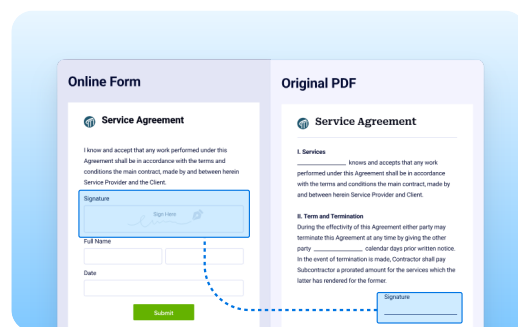
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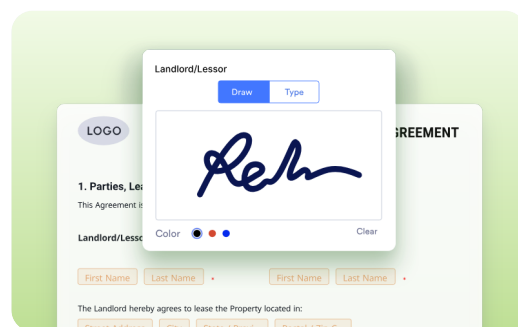
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