

Appraisal Letter Formats

Template 1: The Real Appraisal Letter for Salary Hike

Company Name

Company Address

Date - 06/02/2026

Subject: Appraisal Letter – CONFIDENTIAL

Dear **(Employee_Name)**,

We're grateful at **(Company_Name)** for all the hard work and dedication you bring to the table – it's driving us forward in all the right ways.

In recognition of your hard work and the contributions you've made for us here at **(Company Name)**, we are delighted to promote you to **(Employee_Designation)** and revise your cost to the company to be **(INR Amount)**, effective from **(Appraisal_Date)**. As always, we've included the breakdown in *Annexure A*. So, have a look over there.

We wish you tremendous success in the coming years and look forward to your long-term association and contributions to **(Company_Name)**.

Best,

(HR_Name)

(HR_Designation)

Template 2: The "Bad News" Sample Letter for No Hike

Company Name

Company Address

Date - 06/02/2026

Subject: Performance Review & Compensation Update – (Employee Name)

Dear **(Employee_Name)**,

Thank you for all your efforts over the last year. We appreciate the hard work you put into **(Specific Task)**.

We have completed our annual compensation review. In the end, when we weighed company performance, what's happening in the wider market, and your performance over the past year, we decided to keep your salary where it is for the immediate future. Not an easy call to make, and ultimately it came down to **(budget constraints/external factors/the state of the company financially)**.

I want to be clear: we value you as part of this team. This decision was difficult and is largely due to **(External Factor/Budget Constraints)**.

Let's sit down next week to chat about your goals. I want to make sure we have a plan in place so you are in the best possible position for the next review cycle.

Thanks again for everything you're doing; we appreciate your continued commitment to the company.

Best,

(HR_Name)

(HR_Designation)

Option 3: The "Tough Message" (PIP / Improvement Needed)

Company Name

Company Address

Date - 06 February 2026

Subject: Performance Appraisal – (Employee Name)

Dear **(Employee_Name)**,

We have completed your annual performance review.

While we appreciate your time with us, your performance this year did not meet the expectations for your role, specifically in **(Area 1)** and **(Area 2)**.

As discussed in our meeting, we are not offering a salary increment at this time.

Instead, we are putting you on a *Performance Improvement Plan (PIP)* for the next (number) days. I genuinely want to support you and help you get your performance back on track.

Let's meet on **(Date)** to review the very specific goals that we've set to get you back on track - so let's make sure to stay focused and work together to get there.

Best,

(HR_Name)

(HR_Designation)