Dear [Employee's Name],

Thank you for your request regarding a salary increase. I appreciate your dedication and the contributions you have made to our team.

After careful consideration, I would like to discuss this matter further with you to better understand your perspective and evaluate our current budget constraints.

Please let me know a suitable time for us to meet and discuss this in detail.

Thank you for your understanding.

Best regards, [Your Name] [Your Position] [Company Name]