

Dear [Employee's Name],

We are pleased to inform you about your eligibility for employee stock options as part of our compensation package. It's essential to understand the tax implications associated with these options.

1. **Grant Date:** The date you receive the stock options.
2. **Exercise Date:** The date you choose to convert your options into actual stock.
3. **Sale of Stock:** When you sell the stock, it may result in capital gains or losses, which will be subject to taxation.

Please be aware that the tax treatment can vary based on whether the options are qualified (incentive stock options) or non-qualified stock options. It's advisable to consult with a tax professional to understand your specific situation better.

Should you have any questions regarding your stock options or the taxation process, do not hesitate to reach out.

Sincerely,

[Your Name]
[Your Position]
[Company Name]