

**Georgia Institute of Technology
 NIH Salary Limitation – Accounting Treatment**

The National Institute of Health has published updated information regarding the salary limitation for NIH awards, including flow-through awards from other institutions. **NOTE:** In 2012, the base salary was reduced from previous Executive Level I to Executive Level II amounts on new awards where the initial Issue Date of the award is on/after 12/23/2011. For 2018 awards, the effective salary limitation at Executive Level II was \$189,600. For awards **issued after 1/06/2019**, the effective salary limitation at Executive Level II increased to \$192,300. Please see <https://grants.nih.gov/grants/guide/notice-files/NOT-OD-19-099.html> for complete information.

The schedule included below is provided to assist you in determining the amount of monthly and annual capped salary amounts. Frequently Asked Questions are included as well.

Schedule of Allowable NIH Salary Cap Maximums Based on Effort Percentage:

Effort%	All Competing or New NIH Awards <u>prior</u> 1/07/18 Executive Level II		All New NIH Awards <u>After</u> 1/06/2019 Executive Level II	
	Maximum Monthly \$	Maximum Annual \$	Maximum Monthly \$	Maximum Annual \$
5%	790	9,480	801	9,615
10%	1,580	18,960	1,603	19,230
15%	2,370	28,440	2,404	28,845
20%	3,160	37,920	3,205	38,460
25%	3,950	47,400	4,006	48,075
30%	4,740	56,880	4,808	57,690
35%	5,530	66,360	5,609	67,305
40%	6,320	75,840	6,410	76,920
45%	7,110	85,320	7,211	86,535
50%	7,900	94,800	8,013	96,150
55%	8,690	104,280	8,814	105,765
60%	9,480	113,760	9,615	115,380
65%	10,270	123,240	10,416	124,995
70%	11,060	132,720	11,218	134,610
75%	11,850	142,200	12,019	144,225
80%	12,640	151,680	12,820	153,840
85%	13,430	161,160	13,621	163,455
90%	14,220	170,640	14,423	173,070
95%	15,010	180,120	15,224	182,685
100%	15,800	189,600	16,025	192,300

Frequently Asked Questions (FAQs):

1. What awards are subject to the NIH Salary Cap and why does it exist?

All NIH/DHHS Grants, Cooperative Agreements, and Contracts (including flow-through awards from other Institutions) are subject to the NIH salary cap. Congress limits how much compensation an individual can receive under an NIH award. The limitation is equal to the Federal Executive Level II pay scale on all awards issued on or after 12/23/11. For all new awards issued after 1/06/2019, the limitation amount for the Federal Executive Level II pay scale increased to \$192,300.

Frequently Asked Questions (FAQs) - Continued:

2. Is the cap based on the maximum monthly rate or the annual (12 month) total?

The monthly rate -- During 2019, the salary maximum is \$15,800 monthly (\$189,600 / 12) for 100% project effort on an **award issued prior to 1/07/18**. Therefore, an employee earning more than \$15,800 monthly (\$189,600 / 12) in total salary and working on an NIH award would require a salary cap adjustment.

3. What if the monthly salary exceeds the NIH Salary cap?

*** Example: 51% Effort Devoted during February 2019 on NIH award issued before 1/06/2019**

- a) If there isn't mandatory cost-sharing requirement on the award/fund, charge no more than \$8,058 ($\$15,800 * 51\%$) to the NIH project in February 2019 and charge the difference in monthly salary to a linked NIH Companion Salary Cap project.
- b) If there IS a mandatory cost-sharing requirement on the award/fund, charge no more than \$8,058 to the NIH project in February 2019 and charge the difference in monthly salary to a linked NIH Companion Salary Cap project. Do not charge any salary cap adjustment to the mandatory cost share project.

*** Example: 30% Effort Devoted during March 2019 on a **NEW** NIH award issued after 1/06/2019**

- a) If there isn't mandatory cost-sharing requirement on the award/fund, charge no more than \$4,807.50 ($\$16,025 * 30\%$) to the NIH project in March 2019 and charge the difference in monthly salary to a linked NIH Companion Salary Cap project.
- b) If there IS a mandatory cost-sharing requirement on the award/fund, charge no more than \$4,807.50 to the NIH project in March 2019 and charge the difference in monthly salary to a linked NIH Companion Salary Cap project. Do not charge any salary cap adjustment to the mandatory cost share project.

4. Why is it necessary to charge the salary amount above the cap to a linked NIH Salary Cap Companion project when cost-sharing is not a requirement of the award?

This allows the NIH cap adjustment to be visible in the accounting records of the Institute without additional effort certification documentation (other than the ASR).

5. What is the difference between Effort Percentage and Salary Percentage?

The two are the same in most cases, but this is not the case when an adjustment is required and made for the NIH salary cap. The effort percentage is the percentage of time devoted to working on the project. This may be equal to or greater than the percentage of salary charged to the project.

6. Who do I contact if I have questions regarding the NIH Salary Cap or to request an additional effort certification document template?

Contact the Salary Planning & Distribution (SPD) Center at 404-849-3488 or send a request to spd.ask@business.gatech.edu