

DHHS Salary Cap Calculation

Faculty with Part-Time Appointment (based on the Executive Level II salary of \$212,100)

To ensure compliance to DHHS/NIH policy, it has been recommended that a manual calculation of the actual payroll amounts to the current CAP limit be used to determine the amount of cost sharing as it relates to the limitation.

When a JHU employee's Institutional Base Salary (IBS) is over the amount of Executive Level II of the Federal Executive pay scale, the Executive Level II salary of \$212,100 will be used to calculate the JHU employee's labor distribution. (***Executive Level II salary may change, please review the NIH Salary Cap summary for correct salary limitation.**)

Dr. Harrison's received a new NIH award. Dr. Harrison is providing 30% of effort the on NIH Award #2.

Step 1: Calculate Salary to be charged to NIH Award

Dr. Harrison's current Institutional Base Salary is \$240,000 and Actual Salary is 75% of his IBS or \$180,000 ($\$240,000 \times 75\%$). The current NIH Salary Cap Limitation is \$212,100, at 75% is \$159,075 ($\$212,100 \times 75\%$). Dr. Harrison's labor distribution (Infotype 9027 Base Pay and Labor Distribution) will be calculated using the NIH Salary Cap, $\$159,075 \times 30\%$ of effort provided to new NIH Award #2. Salary Cap (Executive Level II) X Effort Percentage

Calculation for Adjusted Salary Cap

Actual Salary Paid/IBS=Percentage of Salary

$$\$180,000/240,000 = 75\%$$

Percentage of Salary X Salary Cap (Executive Level II) = Adjusted Salary Cap

$$75\% \times \$212,100 = \$159,075$$

Calculate Salary to be charged to NIH Award

Adjusted Salary Cap (Executive Level II) X Actual Effort

$$\$159,075 \times 30\% = \$47,722.50^* \text{ this is the maximum salary allowed to be charged to the NIH Award \#2.}$$

$$\$47,722.50/24 = \$1,988.44 \text{ per pay period}$$

Step 2: Review the Semi-Annual Effort Form and Calculate the NIH Salary Cap Cost Sharing

NIH Salary Cap (Adjusted) X Actual Effort (Payroll Amount)
\$159,075 X 30% = \$47,722.50 (For six months \$23,861.25)

The effort percentages on the Effort Form are calculated using the Actual Salary Paid
 Actual Salary X Effort Percentage
\$180,000 X 30% = \$54,000 (For six months \$27,000)

The cost sharing amount on Cost Sharing Column
\$54,000-\$47,722.50= \$6,277.50 (For six months \$3,138.75)

After the cost sharing adjustment, the effort form will reflect the 30% of effort on NIH Award #2.

This Effort Form is a newly created RCT form. Click [here](#) to view the original effort copy.

Pre Review

Name: Harrison, Sally Employee ID: 00000002 Title: Faculty
 Sub Dept: 00000000 - ERS BSPH IH Division: 162 - ERS Testing Title Code: U020

Changes Saved

Reporting Period: 063023 (01-01-2023 through 06-30-2023)

Payroll	Accounts	Description	Cost Sharing	Total \$	Total %
Sponsored Accounts					
\$23,861.25	27% 70000002	NIH Award #2	\$3,138.75 3%	\$27,000.00	30%
\$35,696.25	40% 70000006	Robert Wood John	\$0.00 0%	\$35,696.25	40%
\$59,557.50	67%	Sponsored Subtotal	\$3,138.75 3%	\$62,696.25	70%
Non-Sponsored Accounts					
\$30,442.50	33% 71000000	General Salaries	\$-3,138.75 -3%	\$27,303.75	30%
\$30,442.50	33%	Non-Sponsored Subtotal	\$-3,138.75 -3%	\$27,303.75	30%
\$90,000.00	100%	Grand Total	\$0.00 0%	\$90,000.00	100%

Add Account

If 27% of effort is correct effort provided to the NIH Award #2 the department will need to reduce the salary on the NIH/DHHS award by using an E form. Once the E form is approved the Effort Form will be updated with E form changes.

E form will credit NIH Award #2 and debit a non-sponsored account

Originally charged \$47,722.50 - \$42,950.25 (see calculation below) = \$4,772.50 (\$198.84 per pay period)

After the approved E form has been updated in ERS, the Effort Form will appear as below:

NIH Salary Cap X Actual Effort (Payroll Amount)

\$159,075 X 27% = \$42,950.25 (For six months \$21,475.12)

IBS X Effort Percentage

\$180,000 x 27% = \$48,600 (For six months \$24,300)

The cost sharing amount on Cost Sharing Column

\$48,600 - \$42,950.25 = \$5,649.75 (For six months \$2,824.88)

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Changes Saved

Reporting Period: 063023 (01-01-2023 through 06-30-2023)							
Payroll	Accounts	Description	Cost Sharing	Total \$	Total %		
Sponsored Accounts							
\$21,475.12	24%	70000002	NIH Award #2	\$2,824.88 3%	\$24,300.00	27%	
\$35,696.25	40%	70000006	Robert Wood John	\$0.00 0%	\$35,696.25	40%	
\$57,171.37	64%		Sponsored Subtotal	\$2,824.88 3%	\$59,996.25	67%	
Non-Sponsored Accounts							
\$32,828.63	36%	71000000	General Salaries	-\$2,824.88 -3%	\$30,003.75	33%	
\$32,828.63	36%		Non-Sponsored Subtotal	-\$2,824.88 -3%	\$30,003.75	33%	
\$80,000.00	100%		Grand Total	\$0.00 0%	\$80,000.00	100%	

Add Account

References:

*NIH Salary Cap Summary

https://grants.nih.gov/grants/policy/salcap_summary.htm

DHHS

Please review the DHHS Agencies grant policies and Notice of Award

If you have any further question about this please contact effort@jhu.edu .